As of 11 a.m. ET **DJIA** 10572.55 ▲ 0.06% **FTSE 100** 5606.72 ▲ 0.12% **Nikkei 225** 10585.92 ▲ 2.09% **Shanghai Comp.** 3053.23 ▲ 0.73% **Hang Seng** 21196.87 ▲ 1.97% **Sensex** 17102.60 ▲ 0.64% **S&P/ASX 200** 4807.86 ▲ 0.85%

Asian investment banks build up their distressed-debt teams
ASIA DEAL JOURNAL 19

Japan's political climate changes on cap-and-trade
EDITORIAL & OPINION 11

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Ind PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Srs180(Ind VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50
KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK MENPEN R.I. NO: 01/SK/MENPEN/SCJ/1998 TGL 4 SEPT 1998

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 132 (India facsimile Vol. 1 No. 193) * * ASIA Tuesday, March 9, 2010

DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Women's equality legislation hits resistance in India

Reuters

India's effort to mark International Women's Day with a landmark law to boost the number of female lawmakers ended in chaos after two allies of the Congress party-led national government objected to the move. Above, supporters of the Congress party at a rally on Monday. **Page 9**

Deal for Alico is finalized

American International Group Inc. and **MetLife** Inc. agreed to a widely anticipated $15.5 billion deal for AIG's second-largest foreign life-insurance business.

*By **Serena Ng**, **Jeffrey McCracken** and **Leslie Scism***

The deal would leave U.S. government-controlled AIG owning roughly a fifth of MetLife, the nation's No. 1 seller of life insurance.

The companies said AIG has agreed to sell American Life Insurance Co., better known as Alico, for $6.8 billion in cash and $8.7 billion in MetLife equity, including common stock and convertible preferred securities.

"Every piece of this deal" accomplishes important goals for MetLife, Chief Executive Officer C. Robert Henrikson said in an interview. "You name it" and the deal is a plus.

He said the benefits include helping MetLife expand overseas and reducing its exposure to stock markets—a result of its large business selling guaranteed-minimum retirement-income variable annuities in the U.S.

Under the deal, AIG would effectively take a stake of about 20% in Metlife, receiving 78.2 million common shares and 6.6 million shares of convertible preferred stock. That would make AIG, which is nearly 80% owned by the government, the second-largest shareholder of MetLife.

A trust holds roughly 28% of MetLife's shares on behalf of its insurance policy holders. The common shares to be owned by AIG would represent about 14% of MetLife, and AIG could sell the preferred securities before they are converted into common equity.

AIG's shares in MetLife will come with voting restrictions, preventing it from influencing MetLife's operations and business decisions. But AIG will be exposed to MetLife's fortunes over at least the next nine months to two-and-a-half years, the minimum period for which it has to hold onto the shares. How MetLife's stock performs will determine the value AIG can fetch when it

Please turn to page 18

■ Prudential moves up its Hong Kong listing..... 19

Shell bid for Arrow drives up its shares

By Guy Chazan

Royal Dutch Shell PLC and **PetroChina** made a joint bid of 3.3 billion Australian dollars (US$3 billion) Monday for Australian coal-seam gas producer **Arrow Energy** Ltd., in another sign of the international interest in Australia's unconventional natural gas.

Arrow shares soared 46.8% to close at A$5.11 Monday, implying some investors anticipate that a rival bid could emerge, or that Shell and PetroChina may need to offer a higher price to win over Arrow's board and shareholders.

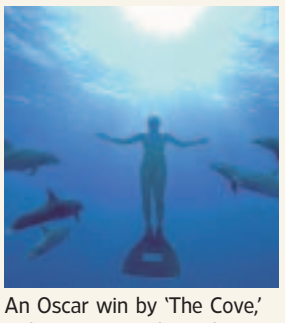
If accepted, the bid would bolster Shell's position in the sector two years after it bought 30% of Arrow's coal-bed gas assets.

Coal-bed methane—methane gas that occurs naturally in coal seams—was long considered a safety hazard in coal mining. But in recent years it has been recognized as a valuable energy resource.

The major international oil companies have been flocking to Australia, which has billions of cubic feet of coal-seam gas. Their interest in part reflects the difficulties they face in accessing conven-

Please turn to page 21

The Oscars



An Oscar win by 'The Cove,' a documentary chronicling bloody dolphin hunting in a Japanese fishing town, could give the film the critical audience its makers wanted to reach: ordinary moviegoers in Japan. **Page 10**

Indie victory

'The Hurt Locker' became the lowest-grossing film ever to win the Academy Award for best picture. **Page 10**

China's future leaders jockey for position, power

By Ian Johnson

BEIJING—Chinese politicians are jockey for position ahead of an expected shift in power two years from now, some with Western-style publicity campaigns that suggest China's leaders could bring with them a more populist style of governance.

The jockeying is being spurred by the meeting of the National People's Congress. The legislative body is often seen as a rubber stamp for decisions made elsewhere, and this year's agenda lacks significant new bills or personnel changes.

But the thousands of Chinese politicos are descending on Beijing in advance of a change in power in 2012, when the Communist Party's once-in-five-years congress is held. While the top two jobs are considered spoken for, potential candidates are engaging in subtle and not-so-subtle campaigns for other plum positions.

They include Bo Xilai, Communist Party secretary of the big city of Chongqing, and rival Wang Yang, his predecessor in the job and now governor of southern Guangdong province.

Nicknamed the "two cannons," both have pushed showy slogans campaigns and tried to connect with people at the grass roots. Mr. Bo, for example, has launched a crackdown on organized crime that has turned him into a popular hero.

Both men also aspire to a seat in the country's most powerful body, the Standing Committee of the Communist Party's Politburo, China's top policy body. "The change in leadership might feel remote, but Chinese politicians are already beginning to take action," says Li Cheng, a senior fellow at the Brookings Institution think tank. "The main contenders for the top positions in 2012 are already en-

Please turn to page 18

■ China's local government debt grows worrisome 4

Why do we support science competitions?
Because we all win.
Intel sponsors international science fairs that put today's brightest young minds on the path to solving tomorrow's biggest challenges.
Learn more at intel.com/inside.
Sponsors of Tomorrow.
intel
©2010 Intel Corporation. Intel, the Intel logo, Intel Sponsors of Tomorrow™ and Intel Sponsors of Tomorrow logos are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries.

PAGE TWO

What's News—

* * *

Business & Finance

■ **Prudential PLC will list** its shares in Hong Kong ahead of a $20 billion rights issue planned for May, a move aimed at enlisting Asian support for an offering key to the U.K. insurer's $35.5 billion purchase of American International Assurance from AIG. **19**

■ **China's leaders have increased** scrutiny of debt incurred by municipalities out of fear that local governments won't be able to pay back all their loans. **4**

■ **The EU is preparing** proposals to create a euro-zone bailout fund, a signal of how Greece's financial crisis is accelerating efforts to address shortcomings in the makeup of the common currency. **8**

■ **U.S. stocks edged lower,** weighed down by the health-care sector as President Obama targeted health insurers in a speech. Asian shares rose. **27**

■ **Tokyo Stock Exchange** is investigating whether Japanese technology-services firm Fujitsu intentionally hid information regarding the resignation of its president last year. **20**

■ **Taiwan International** Securities said its employees may have been involved with distributing financial products from the firm run by late California financier Danny Pang. **20**

■ **Thai telecom stocks** Advanced Info and Total Access look attractive after recent share-price declines, analysts say. **21**

■ **Dai-ichi Mutual Life set** a tentative price range for bookbuilding ahead of its IPO that values the company at as much as $17.16 billion, suggesting strong demand for the shares. **25**

■ **Japan's current-account** balance moved to a surplus in January on a record rise in exports. **4**

■ **Credit Suisse Group said** it doesn't accept new funds from wealthy clients seeking to circumvent their home tax authority. **25**

■ **Metric Property Investments** is hoping to raise $227 million in an initial public offering on London Stock Exchange's main market. **25**

■ **Taiwan's exports rose** for the fourth straight month in February, fueled by strong demand from China during the Lunar New Year holidays. **4**

■ **Cisco hopes to use lessons** learned from the past recession in order to emerge stronger this time around. **23**

Reuters

A strong, predawn earthquake knocked down stone and mud-brick houses and other structures in eastern Turkey on Monday, killing 51 people in five villages. The U.S. Geological Survey listed the quake at 5.9 magnitude. Above, a woman stands on the ruins of a destroyed house in Okcular Village, where the damage appeared worst.

■ **Prices for U.S. Treasury debt** weakened as investors prepared for another hefty offering of securities this week. **26**

* * *

World-Wide

■ **A top business lobby in Japan** will stop making recommendations on how its member companies make financial contributions to political parties. **3**

■ **Indonesian police arrested** two men for allegedly supplying weapons to a new terrorist cell based in Aceh province. **5**

■ **U.S. defense chief Gates said** the new Afghan strategy was having some success but cautioned of hard days ahead. **6**

■ **A suspected suicide bomber** drove a car packed with explosives into a federal police-office building in the Pakistan city of Lahore, killing at least 13 people, an attack that marked a renewal of assaults on government installations. **6**

■ **Turnout for Iraq's** parliamentary election was 62%, the country's election commission said, down from 76% in the December 2005 election.

ONLINE TODAY

Most read in Asia

1. China Signals Defiance on U.S. Relations
2. Zhou Signals Yuan Policy Shift
3. China Urges U.S. to Repair Relations
4. Opinion: 'They Need to Be Liberated From Their God'
5. Software Billionaire Lists Ranch

Most emailed in Asia

1. Zhou Signals Yuan Policy Shift
2. Shanghai's Nightlife Echoes Former Reputation
3. Suspected Philippine Militants Killed
4. Opinion: 'They Need to Be Liberated From Their God'
5. Workers Rise to Lower 401(k) Fees

Heard on the Runway

blogs.wsj.com/runway

The most arresting looks in Albert Kriemler's Fall 2010 collection are long prints on coats and dresses.

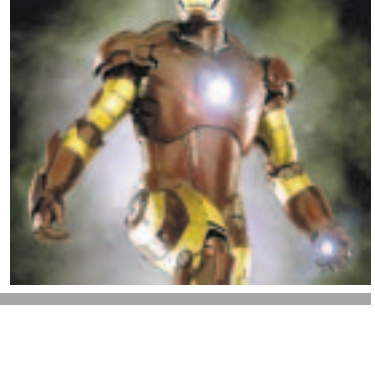
Continuing coverage

Follow the latest news from Afghanistan at blogs.wsj.com/dispatch

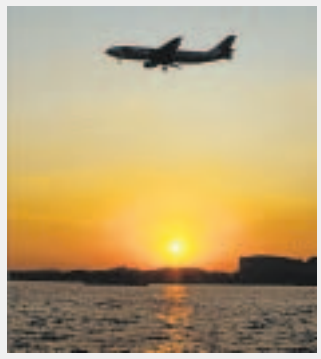
WSJ Technology

blogs.wsj.com/speakeasy

Now that the Oscars have put an end to Awards Season, it's time to look ahead to summer blockbusters.



Inside



World News: New Japan airport will host just one flight a day. **5**

In Depth: Battle rages inside the Fed over bank regulation. **14**

Corporate News: Lauder CEO presses sales makeover. **22**

Heard on the Street: Dual goals of PBOC chief's yuan talk. **32**

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 6269-2760; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 6269-2701; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

WORLD NEWS

Japan lobby stops donation advice

By Yuka Hayashi

TOKYO—A powerful Japanese business lobby said it will stop making recommendations on how its member companies make financial contributions to political parties, a move that could accelerate the decline in influence of the Liberal Democratic Party, a business-friendly party that lost its long grip on power in elections last year.

Over the past decade, Nippon Keidanren, an association of the nation's top corporations, has put out an annual report card examining policies of Japan's top two political parties, to help individual companies decide how they allocate their contributions. The practice has resulted in much larger funds flowing to the LDP as Keidanren overwhelmingly favored its policies. In 2008, member companies gave a combined 2.7 billion yen ($29.9 million) to the LDP, compared with 100 million yen to the Democratic Party of Japan, a center-left party that took power in September.

Fujio Mitarai, Keidanren's head as well as the chairman of **Canon** Inc., announced the group's decision at a news conference Monday, saying the practice "doesn't suit the current era of political changes."

It will likely add to the financial hardship of the LDP, which has already suffered a sharp drop in the amount of subsidies it receives from the government, reflecting its loss of seats in parliament.

An LDP spokesman declined to comment.

The shift in Keidanren's policy reflects the rapidly changing nature of the relationship between Japanese politics and business. The government of Prime Minister Yukio Hatoyama won last year's elections pledging to boost the influence of elected officials in policy making, while curbing the power of the bureaucrats and private companies they oversaw.

Mr. Hatoyama has repeatedly discussed in recent weeks his party's intention to ban political contributions from companies, a move viewed in part as a step aimed at reversing declines in popular support for the party. A poll conducted by Kyodo News over the weekend showed the approval rating for Mr. Hatoyama's cabinet fell to 36.3%, nearly half the level of the 72% support the cabinet enjoyed upon its inauguration in September.

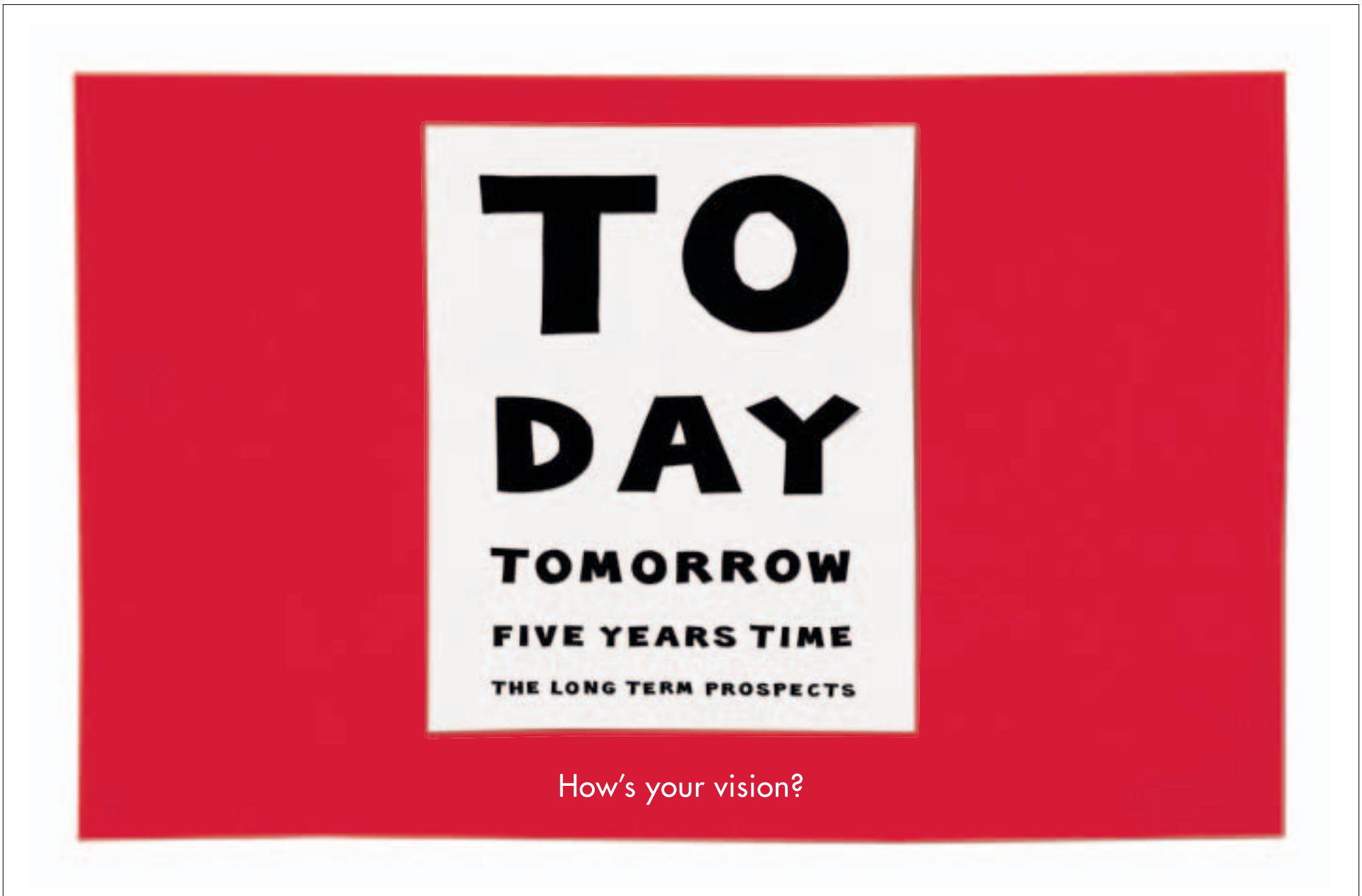
Bloomberg

Fujio Mitarai, head of Keidanren and chairman of Canon Inc.

The drop is attributed in large part to political-funds scandals involving Ichiro Ozawa, the party's powerful secretary-general, and Mr. Hatoyama.

While abandoning the annual recommendation for corporate donations, Keidanren plans to put together a guideline for political donations from individual business executives, based on the view that such contributions should be increased. The group, for now, will continue to recommend individual companies give funds to parties based on their own judgment and criteria, said Kiyoaki Aburaki, head of the political affairs group at Keidanren.

Over the decades, Keidanren has adjusted its stance on political contributions along with changes in the political climate. Amid a public outcry in 1993 over the corrupt relationship between politicians and businesses, the group stopped helping companies make political contributions. But reflecting the business sector's strong support of the market-friendly policies of former Prime Minister Junichiro Koizumi, Keidanren implemented the current system in 2004, and its member companies began increasing contributions.



Fact: stability today fosters prosperity tomorrow. The Central Bank of Bahrain has spent four decades creating the most stable business environment in the Gulf. Which means that in the clear air of Bahrain, business really can see further. For a glimpse of the future, go to bahrain.com

business friendly BAHRAIN

Beijing frets about local debt

Risk posed by localities' loan obligations becomes hot topic at National People's Congress

By Terence Poon

BEIJING—Signs mounted Monday of Chinese authorities' concern about the risk from debt incurred by local governments in projects to help China's economy recover—an issue that is a hot topic at the National People's Congress, now meeting in Beijing.

China's leaders have increased scrutiny of this debt over the past months, fearing that local governments won't be able to pay back all their loans. The issue was also highlighted in the Ministry of Finance's budget report released at the start of the annual legislative session Friday. The added spotlight on officials at the meeting has prompted regulators from several agencies to discuss the issue publicly.

Reuters

Su Ning, a vice governor of the People's Bank of China, in Beijing last week, discussed the riskiness of some loans.

The China banking regulator's Shanghai branch said Monday it is requiring banks in the city to reassess loans extended to local governments. An official who heads a municipal government's investment arm says local governments were instructed late last year by the Ministry of Finance to stop offering loan guarantees for their investment arms.

Su Ning, a vice governor of the central bank, also addressed the riskiness of such loans Monday, saying some of the investment vehicles borrowed for infrastructure projects that won't necessarily generate earnings, making loan repayment difficult.

"Some infrastructure investments will generate returns, these will be easier to deal with. But some investment platforms won't generate returns—this will pose very great risks," he said.

The comments added to indications by Minister of Finance Xie Xuren and central bank governor Zhou Xiaochuan over the weekend that the central government plans to curb investment growth and make banks pay for taking on risks to avoid moral hazard and reform the system to give local governments more financing options.

Local governments in China aren't allowed to run deficits, issue debt or make guarantees. However, banks have chosen or been pressured to ignore this law in recent years, said Stephen Green, Standard Chartered Bank (China) Ltd.'s head of research. Many local governments have set up special investment vehicles that borrowed from banks to fund infrastructure projects, capitalizing these vehicles with local governments' land assets and providing guarantees for them.

These projects have helped China rebound from the financial crisis, but have also raised concerns within the government about risk, as such loans don't appear on the government's books, but may hurt banks and public finances if they turn bad.

Mr. Su, of the People's Bank of China, said bank lending to local financing platforms accounted for a large share of loans extended last year, when banks made a record 9.6 trillion yuan ($1.4 trillion) in new local-currency loans. Estimates of the total debt incurred by local governments range from the six trillion yuan widely cited in Chinese media, to the 11 trillion yuan calculated by Northwestern University professor Victor Shih.

The China Banking Regulatory Commission's Shanghai branch, expressing its concerns Monday about such loans, said banks in Shanghai must reassess all loans they made to local governments' financing vehicles last year and conduct checks on the approval process for such loans.

Rapid growth in local governments' investment-vehicle debt has also led to increasing concern about future bad loans burdening the banking system.

—Rose Yu and Victoria Ruan contributed to this article.

Taiwan exports increase for month

By Crystal Hsu

TAIPEI—Taiwan's exports rose for the fourth straight month in February, fueled by strong demand from China during the Lunar New Year holidays, the finance ministry said Monday.

But while the latest trade figures suggest that economic growth in the first quarter will be robust, economists say the data won't spur the central bank to raise interest rates during this month's policy meeting, given the continued hazy outlook on the global economy.

Separately, Taiwan's financial regulator Monday unveiled a series of regulatory steps, including tightening capital requirements, collecting mortgage-related information and tightening disclosure, aimed at curbing soaring housing prices.

Exports rose 32.6% from a year earlier to US$16.69 billion in February, according to the ministry, in line with the median forecast of nine economists polled by Dow Jones Newswires for a 33.2% increase.

But the growth was markedly slower than the surge of 75.8% in January—the fastest expansion in more than 33 years—mainly because there were fewer working days last month in light of the weeklong Lunar New Year holidays, the ministry said. The holiday took place in February this year but was held in January last year.

Imports rose 45.8% from a year earlier to US$15.80 billion after more than doubling in January, the ministry said.

Taiwan ran a trade surplus of US$899.7 million in February, the ministry said, smaller than the survey's forecast of a US$1.47 billion surplus. The island had a trade surplus of US$2.49 billion in January.

"We're optimistic exports will post further growth in coming months, bolstered by improving global demand for the island's technology and petrochemical products," said Lin Lee-jen, director of the ministry's statistics department.

Ms. Lin said she expects the earthquake that shook Taiwan last week to have minimal impact on exports, as major technology companies resumed normal operations.

Japan tips to current-account surplus

By Takashi Nakamichi

TOKYO—A record rise in exports helped Japan's current-account balance swing to a surplus in January from January 2009, government data showed Monday, adding to hopes that overseas demand will continue to support the nation's economic recovery.

Underlining the importance of exports for Japanese economic growth, separate new data showed bank lending fell for the third month in a row in February, as businesses continued to shy away from making new investments.

January's current-account surplus, or Japan's net earnings from international trade and investment, stood at 899.8 billion yen ($9.95 billion) compared with a 132.7 billion yen deficit a year earlier, figures from the finance ministry showed.

The result is the 12th straight month of surplus, while the rebound from the previous year—1.033 trillion yen—is the largest since a 1.222 trillion yen recovery in March 1992, a ministry official said.

A major boost came from exports of goods, which jumped 40.6% to 4.616 trillion yen, partly on strong Asian demand for Japanese electronics parts, and automobile exports to the U.S., analysts said. The rise was the biggest since January 1986, when the ministry adopted the present data format.

"The results basically mirror recent strength in Japanese exports, and I'm expecting the growth trend to continue" on the back of Asian demand for Japanese products, said Yoshimasa Maruyama, an economist at Itochu Corp.

The recovery in Japan's trade performance may provide some relief to Prime Minister Yukio Hatoyama's government. His popularity continues to decline as public discontent grows over political-fund scandals ahead of a key upper house election planned for the summer. His cabinet's approval rate fell to 36.3%, according to the latest Kyodo News survey released over the weekend, down 5.1 points from the previous month and the worst showing since the government's inauguration in September.

The finance ministry data showed Japan's goods trade balance returned to a 197.2 billion yen surplus in January, from a 844.8 billion yen deficit the year-earlier month.

—Megumi Fujikawa contributed to this article.

中国实时报
CHINAREALTIMEREPORT

The Wall Street Journal's China Real Time Report (http://blogs.wsj.com/chinarealtime) this week looked at China's perennial 8% growth "target," which has long been a publicly stated goal of China's policy makers. Excerpts:

Wen's 8% Catchphrase

There are differing opinions about Wen Jiabao's abilities and accomplishments as premier of China.

But one thing can be said unequivocally: He's a lousy prognosticator of economic growth rates.

On Friday, as he has done every year since 2005, the premier listed a target for gross domestic product growth of "about 8%" at the opening of the annual session of the National People's Congress. (In 2003 and 2004, the target was about 7%.)

Every year this figure is dutifully reported as an actual target or forecast. In fact, the number is useless as either.

In the past five years, real annual economic growth has fluctuated from 10.4% up to 13% and down to 8.7%, and the government has gone through at least two cycles of tightening. The "target" hasn't budged.

Eight is a lucky number in China, which might have something to do with it. The more common explanation is that the 8% figure is, roughly, the minimum pace at which the government thinks the economy needs to grow in order to produce sufficient employment growth and maintain "social stability."

To be fair, the premier has acknowledged that it's not a precise number.

But the government also dresses the figure up in language that makes it sound more carefully considered than it evidently is: The 2007 report said the target was determined after taking "into account a number of factors, such as what is needed and what is feasible."

Economists have long heaped scorn on the 8% figure. "It is time to lower the GDP growth target, or eliminate it altogether," wrote Royal Bank of Scotland economist Ben Simpfendorfer in a June report.

He argued that "policy must instead focus on the quality of growth, as opposed to the pace of growth."

We wouldn't be surprised if, in fact, some in the leadership also wish they could abandon 8%. But having repeated it for so long, the government is sort of stuck with the 8% mantra.

If the government were to drop the target, particularly at a moment of uncertainty like the current one, the effects would be unpredictable.

And if there's one thing the government hates, it's unpredictability.

—Jason Dean

Indonesia arrests two in arms plot

Police escalate crackdown on Aceh group linked to country's violent Islamist organizations ahead of Obama's visit

By James Hookway

Indonesian police Monday said they arrested two men for allegedly supplying weapons to a new terrorist cell based in Aceh province, bringing to 21 the number of people detained or killed so far in a crackdown on what officials say they believe is a group linked to the country's violent Islamist organizations.

The arrests come shortly before U.S. President Barack Obama is scheduled to visit the country, the world's third-largest democracy and its most-populous Muslim nation, as well as Mr. Obama's home during some of his childhood. Indonesian officials said the visit will go ahead as planned. A spokesman at the U.S. Embassy in Jakarta said the embassy had no comment on the matter.

Monday's announcement gives some weight to persistent concerns among security officials that the terrorist networks that proliferated across Indonesia over the past decade are still capable of striking despite the arrest or deaths of hundreds of terrorist suspects over the past few years, including the killing of master bomb-maker and strategist Noordin Mohamed Top in 2009.

Last week, Singapore's navy warned of possible attacks on oil tankers and other shipping in the Malacca Strait between Malaysia and Sumatra, prompting Malaysia and Indonesia to step up patrols in the narrow channel, through which tankers carry at least 15 million of barrels of oil each day to Southeast Asia, China, South Korea and Japan.

Agence France-Presse/Getty Images

Armed policemen check a truck in Aceh on Monday as part of Indonesia's crackdown on suspected Islamist militants.,

Philippine authorities, meanwhile, said on March 4 that they had foiled a bombing campaign in Manila that was designed to avenge the death of al Qaeda-backed Abu Sayyaf commander Albader Parad in a gunfight with the armed forces in February. Military spokesman Lt. Col. Romeo Brawner said three militants were arrested in Manila before they could plant any explosives.

The latest batch of arrests in Indonesia began Feb. 22, when security forces raided a guerrilla training camp in southern Aceh, arrested 16 people and killing three others in a firefight. Fourteen people have been charged with planning terrorist attacks, although it is unclear whether the arrests were connected with the subsequent warning that was issued to shipping in the Malacca Strait.

The Associated Press on Monday reported Indonesian Police Chief Gen. Bambang Hendarso Danuri as saying one man was arrested in Jakarta for allegedly supplying firearms to the Aceh-based group, while another man was arrested nearby in West Java province. Police reinforcements have been sent to Aceh, where secessionist rebels fought a war for autonomy from 1976 to 2005, while officials investigate whether the terrorist suspects are linked to Jemaah Islamiyah, the Southeast Asia-based al Qaeda affiliate that orchestrated many of Indonesia's worst terrorist attacks, including deadly attacks on Jakarta hotels and the Bali bombing that killed over 200 people in 2002.

Terrorism expert Sidney Jones, the Jakarta-based senior adviser to the think tank International Crisis Group, said details of the Aceh cell remain sketchy, but it appeared to comprise elements of the Darul Islam and Kompak extremist groups attempting to radicalize former members of the Free Aceh Movement, known by its Indonesian acronym GAM. She said authorities had been watching the group since September, if not longer.

"We've no idea how it fits together just yet, but we may be dealing with some kind of tactical alliance between two or more groups where they each see some temporary value in aligning with each other," Ms. Jones said.

"It's easy to see why the jihadis would find it attractive to align with GAM people—there are still plenty of weapons hidden in that area," she said. "But it's difficult to see why the GAM people would get involved."

New Japan airport hits turbulence

By Mariko Sanchanta

Japan will inaugurate its 98th airport this week when Ibaraki Airport, northeast of Tokyo, opens Thursday. One small hitch: It offers only a single flight a day to Seoul.

The event underlines the power of pork-barrel politics in Japan. Ibaraki Airport, which cost 22 billion yen (about $220 million) to build, has become a symbol of the nation's decades of profligate spending on useless public-works projects that dot the country. The airport itself is expected to incur a loss of 20 million yen its first year of operation.

"There is no airport policy in Japan; it is decided on local political grounds," said Geoff Tudor, principal analyst at Japan Aviation Management Research, an aviation think tank. "It's why there are three airports in the Kansai region: Kansai International, Itami airport and Kobe airport."

But Mr. Tudor, who has done consulting work for the airport, added that while it may take awhile for the airport to become practical, it could eventually be a good option for budget carriers.

The governor of Ibaraki, Masaru Hashimoto, criticizes the government's handling of the project. "They unilaterally build a state-run airport and then do nothing to get people to use it," Mr. Hashimoto told the Daily Yomiuri newspaper.

Ibaraki Airport, located 80 kilometers from Tokyo, a 90-minute bus ride from Tokyo Station, is aiming to become a "secondary" airport to Narita International and Haneda Airport, the capital's two main hubs.

As for Ibaraki's tourism industry, there is relatively little in the prefecture to woo Korean tourists: The terrain is flat and dotted with U.S.-style megastores. The prefecture's claims to fame are Kairakuen, one of Japan's three most-famous gardens, and its prowess in making natto, a pungent Japanese dish of fermented soybeans that many consider an acquired taste.

Japan's two leading carriers, **Japan Airlines** Corp., which recently filed for the country's biggest nonfinancial bankruptcy protection ever, and **All Nippon Airways** Co. have refused to fly to Ibaraki Airport. "We couldn't see the economic rationale behind it," said Megumi Tezuka, an ANA spokeswoman. "We're also focusing on expanding our presence at Narita and Haneda this year."

On Thursday, South Korea's **Asiana Airlines** will launch a daily flight linking Ibaraki and Seoul's Incheon airport. Ibaraki Airport is also jockeying to become Tokyo's gateway for low-cost carriers.

Beginning April 16, **Skymark Airlines** Inc., a low-fare Japanese airline, will start an Ibaraki-to-Kobe service—a flight of a little more than an hour.

A Skymark Airlines spokeswoman said the carrier would gauge demand for the route before launching other flights from Ibaraki.

The transport ministry declined to comment on Ibaraki's new airport.

Meet and Take Home Profitable Advice from Top Experts Including:

STEVE FORBES Chairman, CEO, and Editor-in-Chief *Forbes* Magazine

MARK MOBIUS Managing Director Templeton Asset Management, Ltd.

MARC FABER Publisher *The Gloom, Boom & Doom Report*

JOHN BOLLINGER President and Founder Bollinger Capital Management, Inc.

RICHARD KOO Chief Economist Nomura Research Institute

PETER STEIN Bureau Chief Hong Kong *Wall Street Journal Asia*

and many more!

Join 350 like-minded high-net-worth investors and active traders for this **exclusive conference** that will help you **become a more profitable investor or trader**. Attend and hear the **specific strategies and insights** of **world-renowned experts** who will cover topics such as **global investing** and **macroeconomics, equities, futures, forex, commodities, and much more** during keynotes, panel discussions, and workshop sessions.

HONG KONG
21-23 April 2010
The Grand Hyatt Hong Kong

Registration fee:
HK $3,900 per person*

**Registration fee includes conference materials, coffee breaks, lunches, reception, and networking opportunities with speakers, sponsors, and media partners.*

Your priority code is 017100

Media Partner
THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

a Production of MONEYSHOW INVEST SMARTER, TRADE WISER
MoneyShow | Githler Center
1258 North Palm Ave.
Sarasota, FL 34236 USA

To purchase tickets please, visit www.WorldMoneyShowHongKong.com.

WORLD NEWS

Gates hails new Afghan war strategy

U.S. defense chief, visiting Kabul, says surge has had some success, but describes 'very hard days ahead'

By Yochi J. Dreazen

KABUL—U.S. Defense Secretary Robert Gates said the retooled American war strategy for Afghanistan was enjoying some early successes but cautioned that there would be "some very hard days ahead" as the U.S. and its allies worked to push the Taliban out of their strongholds in southern Afghanistan.

Mr. Gates, making an unannounced visit to the Afghan capital, said he was encouraged by the ongoing U.S.-led offensive in the southern town of Marjah, in Helmand province. The town is a one-time Taliban haven that appears to have been largely cleared of militants and brought under the authority of the Afghan central government.

The defense chief said Marjah would be a model of sorts for the U.S., North Atlantic Treaty Organization and Afghan commanders planning future operations in southern Afghanistan, including a major offensive this year in Kandahar, the Taliban's spiritual birthplace. Many of the 24,000 U.S. reinforcements that will stream into Afghanistan in coming months will take part in the Kandahar push.

"The Taliban in Helmand are clearly under a lot of pressure," Mr. Gates told reporters traveling with him to Afghanistan. "As more forces come in, we intend to put them under more pressure throughout Regional Command South and Regional Command East as well." The southern command has headquarters in Kandahar, while the eastern command is based at Bagram, north of Kabul. Mr. Gates said he shared the assessment of Gen. Stanley McChrystal, the top U.S. commander here, that Afghanistan's security situation remained serious but had stopped deteriorating.

Reuters

U.S. Secretary of Defense Robert Gates, right, talks with U.S. Ambassador Karl Eikenberry after arriving in Kabul Monday.

But he said it was too early to conclude that battlefield momentum had decisively shifted to the U.S. and its allies.

"People do need to understand there is some very hard fighting and some very hard days ahead," he said. "I worry people will get too impatient and think things are better than they actually are."

Mr. Gates arrives in Kabul at a pivotal moment in the eight-year-old war. The Obama administration has agreed to deploy more than 30,000 new U.S. troops to Afghanistan as part of a broad shift to population-centric counterinsurgency, which puts a premium on protecting local civilians from violence and expanding the reach of the fragile Afghan government.

Marjah was the first major test of the approach. The American-led coalition publicized the offensive months in advance, and most fighters fled the town before the U.S. and Afghan troops arrived. That has made it easier for the Afghan government to appoint a new mayor and prepare to launch a slate of reconstruction and economic development projects there.

More ambitiously, Afghan President Hamid Karzai has publicly invited senior Taliban leaders to attend a peace conference this spring, the first step in what Mr. Karzai envisions as a wide-ranging effort to persuade militants to lay down their weapons and take part in Afghanistan's political process.

Mr. Gates and many senior U.S. commanders have long argued that the outreach efforts won't bear fruit until Taliban leaders feel like they are on the ropes militarily and have real incentive to negotiate.

Mr. Gates said the recent battlefield gains by the U.S. and its allies weren't yet enough to persuade senior Taliban leaders to come to the negotiating table.

"My guess is they're not at that point yet," he said.

Mr. Gates also had some harsh words for Iran, whose president, Mahmoud Ahmadinejad, is slated to visit Kabul this week.

The defense chief accused Iran of "playing a double game in Afghanistan," maintaining close ties to Mr. Karzai's government while providing funding and weapons to the Taliban. Iran's government has long denied U.S. accusations that it supports the Taliban, a Sunni militant group.

"We're watching it very carefully," Mr. Gates said. "They want the Afghanistan government to be friendly to them, but they do not want us to be successful."

Mr. Gates said Iran was so far providing the Taliban with only small amounts of money and munitions, but warned that U.S. forces would take strong steps against Iranian agents inside Afghanistan if that level of support appeared to be expanding. "They also understand our reaction should they get too aggressive in this is not one they would want to think about," he said.

Suicide bomber kills at least 13 in Lahore car blast

By Rehmat Mehsud And Tom Wright

ISLAMABAD—A suspected Islamist suicide bomber drove a car packed with explosives into a federal police-office building during rush hour in the eastern Pakistani city of Lahore, killing at least 13 people, an attack that marked a renewal of assaults on major urban government installations that had abated in recent months.

Local television showed emergency workers removing bloodied body bags from a crater outside the shattered front of the Federal Investigation Agency offices, the main Pakistan police investigation body that has taken a lead on probing Islamic militant groups.

"It was a suicide attack. A suicide car bomber rammed his explosive-laden car" into the investigation agency building, said Tariq Saleem Dogar, the police chief of Punjab province, of which Lahore is the capital. About 60 people were injured and the death toll could rise, officials said.

There was no confirmation of who was behind the attack, but the al Qaeda-linked Pakistan Taliban claimed responsibility in a telephone call to an Associated Press reporter. The modus operandi and target were similar to bombings the Pakistan Taliban carried out in the past. Those attacks have become less frequent since the start of 2010 amid a major push by the Pakistan military—aided by unmanned U.S. drone missile strikes—to crack down on Islamist militants in the Taliban's strongholds in the tribal regions on the Pakistan-Afghanistan border.

Reuters

Police and rescuers in Lahore look for survivors of a suicide blast Monday.

Monday's attack in Lahore, a city of more than six million people, appears to be a reprisal for those actions and shows how the Pakistan Taliban, if responsible, remains able to mount sizable bomb attacks in heavily guarded urban areas despite the killing last year of their leader, Baitullah Mehsud, in a drone strike carried out by the U.S. Central Intelligence Agency.

It was the first major attack against Pakistan state installations since late last year, when a series of attacks hit police, army and government buildings in Peshawar, the provincial capital of the Northwest Frontier province.

The Pakistan Taliban have carried out attacks before on the Lahore headquarters of the FIA, which is similar in function to the U.S. Federal Bureau of Investigation and is involved in counterterrorism operations. The latest attack was in October, when militants stormed the FIA building and other police targets, killing 38 people.

The target of the latest attack is significant because the FIA has been one of the most effective government bodies in cracking down on the Pakistan Taliban and other Islamist groups and has worked closely with U.S. intelligence, said Samina Ahmed, an Islamabad-based expert on the region with the International Crisis Group, a Brussels-based conflict-resolution research body. "This is the one agency which is capable of infiltrating and gathering info on terrorist groups," she said.

Ms. Ahmed pointed out that despite the lull in major attacks on urban centers since the start of 2010, the Pakistan Taliban have been striking government targets in rural areas on a weekly basis this year.

An eyewitness to the blast on Monday, Naeem Gilani, said a massive explosion ripped through the posh Model Town area of Lahore where the FIA offices are located. "Thick smoke rose up. As we went closer we saw some badly injured people screaming for help," he said.

The blast left a crater nearly five meters deep where the car bomb went off just outside the offices, Sajja Bhutta, a senior bureaucrat with the Lahore city government, told reporters. Investigators believe the bomb contained about 600 kilograms of explosives, he added. The suicide bomber detonated his payload outside the building's checkpoints but the blast was still strong enough to bring down part of the façade, local officials said.

The attacks also come after the Pakistani authorities have this year arrested a number of senior figures from the Afghan Taliban, including its day-to-day operations chief, Mullah Abdul Ghani Baradar, who was picked up in the port city of Karachi in January. The U.S. had criticized Pakistan for allowing senior Afghan Taliban leaders to remain free on their soil but the recent arrests may point to increased cooperation between the two nations over the militant threat.

The Pakistan Taliban have been largely pushed back to its stronghold in the mountainous tribal regions of Waziristan on the border with Afghanistan after a successful military operation last year to clear militants out of the Swat Valley in the Northwest Frontier province.

The Pakistan Taliban are indirectly linked to the Afghan Taliban, who are waging a war against a coalition in Afghanistan led by the North Atlantic Treaty Organization.

While Pakistan has made progress in arresting Taliban leaders, it has faced criticism from India and other governments for failing to neutralize other Islamic militant groups like the Punjab-based Lashkar-e-Taiba, which is blamed for attacks on Mumbai, India's financial capital, in November 2008 that killed more than 160 people.

SANTOS 100
CARTIER
AUTOMATIC
SINCE 1904
SANTOS
DE
Cartier
cartier.com

WORLD NEWS

Europe fund gains favor

EU discusses creating its own mechanism to address future crises

By Stephen Fidler

The executive arm of the European Union is preparing proposals that could lead to the creation of a new euro-zone bailout fund in a signal of how Greece's financial crisis is accelerating efforts to address shortcomings in the makeup of the common currency.

The Greek crisis has exposed important failings in the euro zone, which has no institution capable of rescuing countries in trouble or of enforcing rules limiting budget deficits and government debt.

Amadeu Altafaj Tardio, a spokesman for the European Commission, said Monday that the commission is talking to EU member states in an effort to produce a proposal for a body capable of dealing with both weaknesses. He said the ideas would be put forward by midyear.

"There's a determination to seize this opportunity to improve the economic governance of the euro area," he said.

The development would be a step toward greater coordination of government budgets, which economists see as essential to avoiding future crises and to guaranteeing the long-term survival of the common currency.

But in a sign that the idea will not enjoy smooth sailing, a senior figure at the European Central Bank stepped into the fray, arguing that such a fund would send the "wrong

European Pressphoto Agency

Greeks protested austerity measures in demonstrations in Athens Friday..

incentives" and would likely result in costly financial transfers across the 16 nations using the euro.

Jürgen Stark, the German representative on the executive committee of the ECB, wrote: "Instead of a European Monetary Fund, budget rules must be strengthened and strictly enforced through a stringent surveillance mechanism."

In an article in Tuesday's Handelsblatt newspaper, released Monday, he said surveillance of deficits could be carried out by a panel of independent experts, which could also make recommendations to the commission.

The comments appeared aimed at rebutting German Finance Minister Wolfgang Schäuble, who in an interview published Sunday, said he backed a plan for a European institution with "comparable powers of intervention to the International Monetary Fund."

German Chancellor Angela Merkel also supported the fund idea in comments Monday, saying details would still have to be discussed of how it should be financed and what powers it should have.

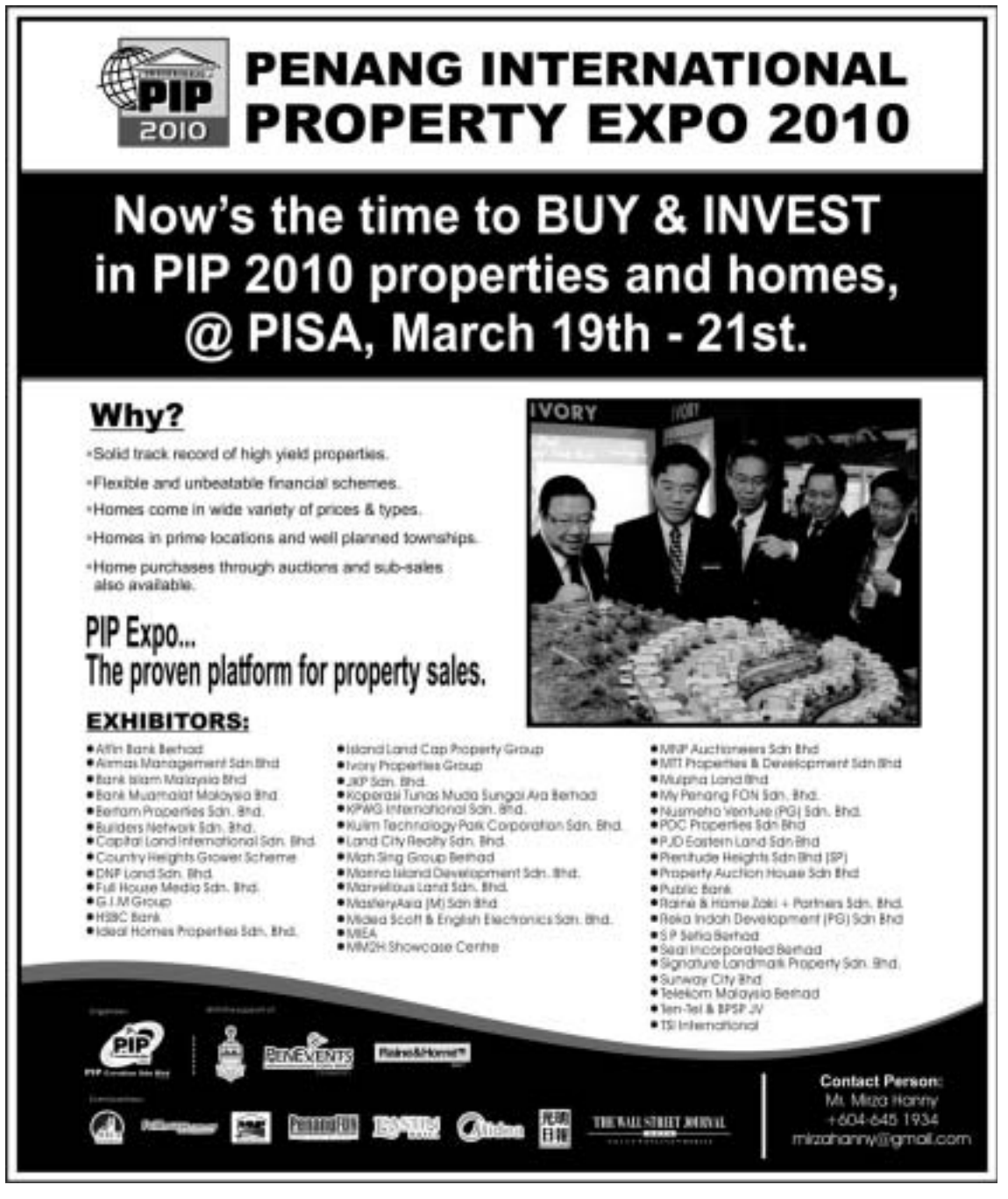
Until now, Germany has been viewed as the main obstacle to a European fund. Other governments have yet to comment in detail.

In France, government officials said they were keen on studying the idea of a European monetary fund but added that such a proposal should be considered as part of a broader debate on improving management of the euro zone.

"It's an interesting idea," a spokesman for French Finance Minister Christine Lagarde said Monday. "But we'll need to see how it articulates with other proposals."

Ms. Lagarde has expressed hope that the Greek crisis would lead other euro-zone members to rally to France's proposal of creating a full-fledged "economic government" of the monetary union to balance the role of the European Central Bank.

—Nina Koeppen, Stacy Meichtry and David Gauthier-Villars contributed to this article.


PIP 2010
PENANG INTERNATIONAL PROPERTY EXPO 2010
Now's the time to BUY & INVEST in PIP 2010 properties and homes, @ PISA, March 19th - 21st.
Why?
•Solid track record of high yield properties.
•Flexible and unbeatable financial schemes.
•Homes come in wide variety of prices & types.
•Homes in prime locations and well planned townships.
•Home purchases through auctions and sub-sales also available.
PIP Expo...
The proven platform for property sales.
IVORY
EXHIBITORS:
•Affin Bank Berhad
•Aimas Management Sdn Bhd
•Bank Islam Malaysia Bhd
•Bank Muamalat Malaysia Bhd
•Bertam Properties Sdn. Bhd.
•Builders Network Sdn. Bhd.
•Capital Land International Sdn. Bhd.
•Country Heights Grower Scheme
•DNP Land Sdn. Bhd.
•Full House Media Sdn. Bhd.
•G.I.M Group
•HSBC Bank
•Ideal Homes Properties Sdn. Bhd.
•Island Land Cap Property Group
•Ivory Properties Group
•JKP Sdn. Bhd.
•Koperasi Tunas Muda Sungai Ara Berhad
•KPMG International Sdn. Bhd.
•Kulim Technology Park Corporation Sdn. Bhd.
•Land City Realty Sdn. Bhd.
•Mah Sing Group Berhad
•Marina Island Development Sdn. Bhd.
•Marvellous Land Sdn. Bhd.
•MasteryAsia (M) Sdn Bhd
•Midea Scott & English Electronics Sdn. Bhd.
•MIEA
•MM2H Showcase Centre
•MNP Auctioneers Sdn Bhd
•MTT Properties & Development Sdn Bhd
•Mulpha Land Bhd
•My Penang FON Sdn. Bhd.
•Nusmetro Venture (PG) Sdn. Bhd.
•POC Properties Sdn Bhd
•PJD Eastern Land Sdn Bhd
•Plentitude Heights Sdn Bhd (SP)
•Property Auction House Sdn Bhd
•Public Bank
•Raine & Horne Zaki + Partners Sdn. Bhd.
•Reka Indah Development (PG) Sdn Bhd
•S P Setia Berhad
•Seal Incorporated Berhad
•Signature Landmark Property Sdn. Bhd.
•Sunway City Bhd
•Telekom Malaysia Berhad
•Ten-Tel & BPSP JV
•TSI International
PIP
BENEVENTS
Raine&Horne
THE WALL STREET JOURNAL
Contact Person:
Ms. Miza Hanny
+604-645 1934
mizahanny@gmail.com

The sometimes tough, sometimes not, president

[Capital Journal]

By Gerald F. Seib

Theory one: President Barack Obama is a pushover, jerked around by his own party's liberals, House Speaker Nancy Pelosi and the Chinese.

Theory two: President Barack Obama is tough in a fight, as he's showing in frontal assaults on insurance companies, teachers unions and the Taliban.

Evidence to support both theories is on prominent display this week, as the epic health-care struggle heads into (another) stretch run, as more intriguing signs of progress crop up in Pakistan, and as the president's friends and enemies shift ground.

The trouble in generalizing on this question—tough or not?—is illustrative of the difficulty in trying to typecast a leader who remains in many ways an enigmatic figure more than a year into his presidency. Mr. Obama is an engaging public figure, yet can be cool and detached personally. He's broadly popular with voters, even as they downgrade their views of his job performance.

His ideology is nearly impossible to categorize. If Bill Clinton could be neatly characterized as a New Democrat, and George W. Bush as a compassionate conservative, what label fits Barack Obama?

His enemies on the right portray him as a flaming liberal, but how does that square with the 30,000 additional troops he's ordered to Afghanistan? Or with the full-page newspaper ad taken out over the weekend by the American Civil Liberties Union, portraying Mr. Obama morphing into George W. Bush because he seems to be shifting rightward on the question of trying terror suspects?

That shift on terror policy, in fact, seems to be feeding the Obama-as-pushover view that appears trendy at the moment. He came into office pledging to overturn the Bush-era policy of trying terror suspects in military tribunals. But the decision to use a civilian court for the most notorious of terror suspects, Khalid Sheikh Mohammed, set off a firestorm, which is prompting the administration to reconsider.

Thus, those on Mr. Obama's left grumble that he isn't showing the spine needed to stand up to vocal proponents of the Bush-Cheney policies on terror suspects that he once campaigned against. "As president, Barack Obama must decide whether he will keep his solemn promise to restore our Constitution and due process, or ignore his vow and continue the Bush-Cheney policies," declared the ACLU's weekend ad.

Meantime, those on the president's right grumble that his lack of toughness led him to cower before Beijing by declining to meet the Dali Lama, a perpetual thorn in China's side, until after Mr. Obama first held a summit meeting with Chinese leader Hu Jintao last fall.

Similarly, those in the center complain that President Obama has allowed himself to be pushed around by his own party's liberals, first by allowing the House's Ms. Pelosi to shape economic-stimulus legislation last year, then by letting himself get maneuvered into a full embrace of a politically doomed public option, or government-run health-insurance option, as part of his party's big health-overhaul plan.

Yet this view of a president lacking in toughness doesn't square with other evidence on the table. If Mr. Obama was shrinking from a fight with China, he could have avoided or diminished his recently announced $6.4 billion arms sale to Taiwan, which has elicited howls of protest from Beijing.

On health care, after an initial courtship hit the rocks, he has picked a fight, and a big one, with the nation's insurance companies, perhaps the most potent adversary around.

Mr. Obama kept up his high-profile feud with insurance companies Monday, declaring in a speech near Philadelphia that they will keep raising rates until legally stopped. "How much higher do premiums have to rise until we do something about it?" he asked. Certainly Mr. Obama has made a strategic choice in demonizing insurance companies, which carry approval ratings on a par with those of used-car salesmen, but they are a dangerous foe nonetheless.

If Bill Clinton could be neatly characterized as a New Democrat, and George W. Bush as a compassionate conservative, what label fits Barack Obama?

More surprising is the president's willingness to pick a fight with an interest group that's clearly part of his Democratic coalition, the teachers unions. Mr. Obama, who has encouraged states to crack down on underperforming teachers to improve their chances of winning more federal aid, stunned the unions last week by endorsing a decision by a school district in Rhode Island to fire all the teachers in an underperforming high school.

Perhaps the most intriguing bit of Obama toughness is the one that gets the least attention, because it unfolds in the distant nether regions of Pakistan. There, the president has authorized a dramatic increase in airstrikes by American military drones against Taliban and al Qaeda leaders and their hideouts.

Whether this escalation in American strikes is a cause of, or a result of, a firmer stand by Pakistan's own government against the Taliban is unclear. And it may not matter, for either way the result is a tougher posture in one place where there may be no substitute for toughness.

WORLD NEWS

Equality legislation stalls in India

By Krishna Pokharel And Vibhuti Agarwal

NEW DELHI—India's effort to mark International Women's Day with a landmark law to ensure women make up 33% of the national parliament and state assemblies ended in chaos Monday after two allies of the Congress party-led national government objected to the move and threatened to withdraw their support for the government.

The setback is likely to be only temporary, but it underscored the political hurdles women here face to achieving gender equality.

India has made strides in increasing the political representation of women in village councils and local urban bodies, after a similar law passed in the early 1990s. And India's national political scene has featured some women in powerful positions—from Prime Minister Indira Gandhi to Sonia Gandhi, president of the Congress party.

But women are severely underrepresented in the national parliament and state assemblies, where the important political and economic decisions are made. The government response to redressing that disparity has been to propose institutionalizing a quota system for women for a period of 15 years to encourage women's involvement in national politics.

That approach is supported by a wide cross-section of India's political parties. But it has met with opposition for the past 14 years by a few political parties with regional political bases. These parties want the quota for women to be extended only to those from religious minorities, tribes and those at the bottom of the Hindu caste ladder. The Samajwadi Party led by Mulayam Singh Yadav, and the Rashtriya Janata Dal party led by Lalu Prasad Yadav (the men aren't related), have their electoral bases in two of India's poorest states, Uttar Pradesh and Bihar, respectively—areas with bitter caste and religious divisions.

On Monday, as the government presented the bill for discussion and a vote in the upper house of parliament, legislators from those two parties disturbed proceedings. One legislator tore up a draft of the bill and threw it at the chamber's speaker, and some were seen on Indian news channels trying to break the microphones on the speaker's desk. Both houses of parliament were repeatedly adjourned throughout the day.

The Samajwadi Party and the Rashtriya Janata Dal together control 26 seats in the lower house. The withdrawal of their support wouldn't likely destabilize the Congress party-led United Progress Alliance government, which would still have the support of 276 elected representatives in the 545-member house.

But the government, faced with the prospect of ruptured relations with two influential allies who have been providing outside support to the coalition government and whose support it might need to ratify some crucial finance legislation, decided to defer the vote on the bill by a day. Prime Minister Manmohan Singh called for an all-party meeting for Tuesday to break the political impasse and pass the bill with a consensus. India's main opposition Bharatiya Janata Party and most of the left-wing parties support the bill, which needs to be approved by a two-thirds majority from both houses.

The setback came the same day a United Nations-commissioned report said economic expansion in most of the Asian-Pacific region in recent decades hasn't translated into assimilation of women in political and economic spheres. Women in Asian-Pacific countries face discrimination in jobs, access to health care and education, political representation, property ownership and legal rights, according to the Asia-Pacific Human Development Report released by the U.N. Development Program.

The report suggested the need for added public intervention to equip women with economic power, a political voice and legal rights to achieve gender equality—where opportunities and rights for women are equal to those of men.

The U.N. report said the low level of women in the paid work force could be depriving Asian-Pacific countries of billions of dollars in added gross domestic income. According to a 2007 study by the U.N. Economic and Social Commission for Asia and the Pacific, gender disparity in the work force cost the region an estimated $89 billion every year.

The estimate is benchmarked against the economic output from female participation in the labor force at more than 70% in the U.S. from 2000 to 2004. The same study said India's GDP would grow by an additional 1.1% annually if women's participation in its paid labor force rises from 34.2% to the U.S. level. The Indian economy is expected to grow 7.2% in the fiscal year ending March 31.

Associated Press

Women travel on a train in Mumbai on Monday.

The Power of We
Your needs, like your fingerprints,
are unique to you, and
we are here to serve one purpose,
to ensure you and your loved ones are
cared for at every stage of life.
We are ASIA.
We are AIA.
AIA.COM
AIA

THE OSCARS

Japan introduces 'Cove'

Controversial documentary was unknown to most local filmgoers

By Yuka Hayashi

TOKYO—An Oscar win by "The Cove," a documentary chronicling bloody dolphin hunting in a Japanese fishing town, could give the film the critical audience its makers had wanted to reach: ordinary moviegoers in Japan. The film hasn't yet been distributed in commercial theaters in Japan because of objections from the town it features.

News that "The Cove" won the Oscar for best feature documentary was greeted by surprise in Japan because many hadn't heard of it. The U.S. film, directed by former National Geographic photographer Louie Psihoyos, has only had a single viewing, at the Tokyo International Film Festival in October.

Japanese theaters have stayed away from it because of protest from Taiji, a fishing town of 3,800 people in Western Japan that bills itself as the "birth place of Japan's commercial whaling." The town's officials requested the film's Japanese distributor to drop it, saying it was shot without permission of its people and constituted libel.

Takeshi Kato, chief executive of **Unplugged** Inc., the Japanese distributor, said Monday the company plans to go ahead with distribution of the film in May or June, with or without agreement with the local town. One independent-movie house in central Tokyo already has agreed to show it, and Unplugged expects more theaters will come on board now that the film has won an Oscar.

The film, however, will go through some changes before reaching Japanese screens. To address Taiji's complaint that the film was shot without permission from fishermen and other people in the town, their faces will be glazed over. It will also include a note pointing out the controversial nature of an expert's comment in the film regarding the high mercury content of dolphin meat. The film claimed Taiji at one point served the mercury-contaminated meat of the dolphins killed during its annual hunt as part of school lunches.

Kazutaka Sangen, mayor of Taiji, issued a statement Monday in response to the academy, saying the hunting of whales and dolphins was conducted "legally and appropriately" with permission from the local government.

It is "regrettable," he said, that the film contained "false information" that ignores scientific evidence.

Mr. Sangen and other Taiji officials weren't available Monday to discuss the town's disagreement with the distributor.

Associated Press

From left, Ric O'Barry, Fisher Stevens, and Louie Psihoyos accept their Oscars.

Low-budget film carries the day

By Ethan Smith And Lauren A.E. Schuker

'The Hurt Locker' won the award for best film Sunday night, edging out its blockbuster rival "Avatar" as the show's producers went to great lengths to try to pump up the broadcast's popular appeal.

"Hurt Locker" director Kathryn Bigelow won for best director, and the film won a total of six major Oscars. "Avatar" won just three awards, for best visual effects, cinematography and art direction.

The biggest change from previous years was that the Academy doubled the number of best-picture nominees to 10. The last time the Oscars featured 10 nominees, in 1943, "Casablanca" won.

Although the Academy of Motion Picture Arts and Sciences expanded the best picture offerings this year, it was still a year that eluded middle-range movies in favor of extremes: "The Hurt Locker," an Iraq war film about a team of U.S. soldiers, cost about $11 million to make; "Avatar," was the highest-grossing film of all time, with more than $2.5 billion in ticket sales world-wide so far.

"The industry has become about big films and small films," said Ashok Amritraj, a film producer and chairman of Hyde Park Entertainment. "But because the studios are spending so big on their blockbusters, it's so easy these days for smaller films to get lost."

Independent films have become more of a gamble for Hollywood, as financing has dried up and studios ramp up the amount they spend to promote their blockbusters. "You have to spend so much more just to get an audience to find your film," Mr. Amritraj added.

"It's a miracle that a film like 'The Hurt Locker' can still break through the competition to get the attention of an audience—and in this case, it happens to be a very important audience: academy voters."

Expanding the best-picture nominees field was just one attempt to appeal to a wider audience. When "Titanic" won in 1998, the Oscars had around 55 million viewers. That number has steadily fallen, and last year only 36.7 million watched "Slumdog Millionaire" take home the best picture statuette.

That was an improvement on 2008, when the even-less-glamorous "No Country for Old Men" took the top honor.

Associated Press

Best-director winner Kathryn Bigelow arrives at the Vanity Fair Oscar Party.

Career Opportunities

CAREERS

QATAR FINANCIAL CENTRE REGULATORY AUTHORITY

The Qatar Financial Centre **Regulatory Authority** (RA) is an independent "full service" financial services regulator supervising banking, insurance, asset management, Islamic institutions, and related financial services firms within the Qatar Financial Centre located in Doha, Qatar.

Applications are invited from professionals with substantial and direct regulatory, legal or policy experience in Banking, Anti-Money Laundering, Asset Management or Insurance. Various senior management positions including those listed below are available, and more information can be found on www.qfcra.com/careers.

Head of Anti-Money Laundering
Associate Director, Anti-Money Laundering
Associate Director, Financial Sector Development / Policy
Associate Director, Legal and Regulatory Compliance
Senior Associate, Banking
Senior Associate, Authorisation

An attractive, expatriate style compensation package is on offer.

Interested applicants are invited to submit their CV to the Regulatory Authority via email at CV@qfcra.com. The title of the position you are applying for should appear in the subject line of the email. All applications will be held in the strictest of confidence.

CAREER JOURNAL

Where M.B.A. students are finding some jobs

By Diana Middleton

Hiring for soon-to-graduate M.B.A. students is in high gear. Jackie Wilbur, senior director of the career development office at the Massachusetts Institute of Technology's Sloan School of Management, says it's been a difficult year, but she has seen some improvement over last year.

The M.B.A. Career Services Council recently reported that about 34% of schools said they had seen an increase in job postings in the fall. Only 48% saw a reduction of postings, compared with 70% that did last year. In an interview, Ms. Wilbur spoke about the challenges and where students are finding jobs. Excerpts:

WSJ: How has the volume of on-campus recruiting changed?

Ms. Wilbur: We still haven't gotten back to 2008 levels, but we're not done with recruiting until May. [Some] schools have a much more rigid process [for recruiting on-campus]. For example, we offer a free job listing and if the company wants us to gather all the résumés, we do it. Companies also can come to campus whenever they want for recruiting.

WSJ: With fewer openings, how are students coping with the state of the job market?

Ms. Wilbur: Our students are being very realistic. It's a better year than last year—the crisis has come and gone—but we're certainly not seeing a huge rebound in the market either. One area that's really grabbing students' interest is consumer-product companies, which include medical devices and clean energy technology.

WSJ: Are there new types of jobs students are pursuing?

Ms. Wilbur: In supply-chain management, students have a lot of interest in project finance, which was popular in the '80s and making a comeback. A larger number are interested in energy, particularly in the space of green technology—there's a lot of room for growth, particularly in introducing new technologies in an emerging market.

WSJ: What are some areas that aren't offering opportunities?

Ms. Wilbur: Hiring is recovering in financial services, but it's still down. And we've noticed that asset-management firms haven't recovered the same way as the banks.

Mr. Hatoyama's Climate Headache

Politicians the world over are developing cases of cold feet on expensive global-warming pledges. Now reality is sinking in even in Japan.

The Japanese government had set a self-imposed deadline of last Friday to submit a cap-and-trade plan for legislative consideration, but had to delay since the cabinet has yet to agree on the details. Prime Minister Yukio Hatoyama ran for office last year on a pledge to reduce national carbon emissions by 25% from their 1990 levels by 2020.

So far the evidence of the wrangling has consisted mainly of leaks, since the process hasn't been open to the public. There is now talk that emissions caps might be tied to productivity—meaning, a reduction in carbon output per widget produced. This would at least allow emissions to increase alongside economic growth, which is why business lobbies support the idea.

Associated Perss

Also instructive is the kerfuffle between Mr. Hatoyama and a coalition partner over nuclear power. Mr. Hatoyama this weekend acknowledged the obvious point that nuclear plants—which do not emit carbon—would be key to meeting Japan's electricity needs if carbon emissions are to come down. But Consumer-Affairs Minister Mizuho Fukushima of the Social Democratic Party is resisting efforts to promote nuclear power as part of the bill. She has a long record worrying about the safety of nuclear facilities and spent fuel in earthquake-prone Japan.

If Mr. Hatoyama's government doesn't submit the bill for consideration by parliament by this Friday, there may not be time to pass anything before the legislative session ends in June. Economically, that would be a good thing for Japan. Deflation remains a concern and the fragile recovery has so far been led by exporters, who would be among the most vulnerable to a cap-and-trade cost increase. But it would embarrass Mr. Hatoyama and the DPJ politically when its popularity is already at a post-election low thanks to a political fundraising scandal.

Meanwhile, the climategate and glaciergate scandals have cast increasing doubt on the science behind global warming. December's Copenhagen Summit collapsed without an agreement. No wonder lawmakers elsewhere are having second thoughts. Mr. Hatoyama may yet decide to push forward in the hope that a legislative "achievement" will boost his poll ratings. He'd do better to work on saving the Japanese economy; the planet can save itself.

Friend and Faux on Human Rights

Some of the world's most courageous champions of human rights convened yesterday in Geneva, seat of the United Nations's Human Rights Council. But don't expect the Council itself to welcome these distinguished visitors.

The Geneva Summit—organized by groups such as U.N. Watch and Freedom House, and chaired by Poland's Lech Walesa and the Czech Republic's Vaclav Havel—will bring together political dissidents from China, Iran and Burma, rights activists for the Tibetan and Uighur peoples, a survivor of the North Korean gulag, plus a former Sudanese slave named Simon Deng who plans to speak about "the gross human-rights abuses by radical jihadists and the Islamic government in Khartoum."

As for the U.N. Council's meeting, the main drama (apart from the ritual Israel-bashing) will be Iran's bid to get elected later this spring as a member. Among its presumptive qualifications, says Iranian Foreign Minister Manouchehr Mottaki, is that last June's elections were "an exemplary exhibition of democracy and freedom." Other contenders vying for election include the Maldives, which bans the public practice of all religions save Sunni Islam; and Malaysia, whose judiciary is currently prosecuting opposition leader Anwar Ibrahim on dubious charges of sodomy.

> Iran bids to join the U.N.'s rights body.

The U.S. also has a seat on the Council. A year ago, Secretary of State Hillary Clinton promised that by joining the Council—the Bush Administration had refused—the U.S. "will engage in the work of improving the U.N. human rights system." Whatever they're doing, it doesn't seem to be working.

In 1975, Daniel Patrick Moynihan wrote that it was time "that the American spokesman came to be feared in international forums for the truths he might tell." In Geneva yesterday, the real truth tellers met down the block from the Council's chambers. It would be nice if the U.S. would also add its imprimatur to such meetings.

Tinker, Tailor, Soldier, ObamaCare

House Democrats are suspicious of each other, none of them trust their Senate counterparts, and vice versa, and a Soviet mole has infiltrated the highest levels of British intelligence. Sorry, that last part is from a John le Carré thriller, though it might take a novelist to do justice to the ObamaCare-induced paranoia that now engulfs Congress—not to mention the double game that the White House may well be running.

> Is the White House playing a double game with House Democrats?

Last week President Obama sanctioned "reconciliation," a complex tactic that would jam ObamaCare into law on sheer power politics. But what if this gambit is really a false-flag operation, meant to lure House Democrats into voting for a bill that they would otherwise oppose? That's the question many rank-and-file Members are now asking themselves, and they're right to be worried.

The cleanest option for Democrats would be for the House to pass the Senate's Christmas Eve bill word for word, thereby bypassing a Senate filibuster under the normal rules and forwarding ObamaCare directly to the Rose Garden signing ceremony. But Speaker Nancy Pelosi has repeatedly said the votes simply don't exist for the Senate bill as is.

Liberals don't think the middle-class insurance subsidies are large enough. Big Labor hates the "Cadillac tax" on high-cost health coverage because extremely generous benefits typically come out of collective bargaining. The pro-life Democrats led by Michigan's Bart Stupak can't abide federal funding for abortion. Everyone detests the enveloping corruption, such as the Nebraska Medicaid bribe for Ben Nelson, which has become so politically toxic that the opponents now include Ben Nelson.

Thus the convoluted scheme the White House has mapped out. The House would first pass the Senate bill, and then pass a reconciliation bill that addresses these objections—in effect converting the process into a makeshift and unprecedented vehicle for amendments. Mrs. Pelosi can't rope in the 216 votes she needs without an iron-clad promise of another round of Senate action.

Iron-clad promise—or double-cross? After all, the White House would much prefer the Senate bill, because by its lights the cost-control programs are tougher than what the House prefers. And from a political perspective, a bill that can be signed immediately and that the press will portray as an historic achievement is far better than the drawn-out and gory battle that would be reconciliation. Republican Senators will have many procedural knives at their disposal, and the process will force Democrats to cast further votes and spend more months debating a deeply unpopular bill.

In other words, perhaps Mr. Obama has embraced this reconciliation two-step only to renege as soon as the House gives him what he wants. While some House Democrats would be furious, they'd soon be defending the Senate bill by necessity against the GOP. The moderates who vote for it might be collateral damage, but the White House has already concluded that this is the price of building its cradle-to-grave entitlement citadel.

Mr. Obama's closing arguments are lending credence to rank-and-file fears that they're getting played. Democrats are telling reporters that Mr. Obama has been telling them in private meetings that his Presidency, and the party's claim to any achievement, rests on passing a bill. With barely any mention of substance, the right bill is any bill, by any political means necessary.

The White House also announced that it now wants the House to pass the Senate bill by March 18, before Mr. Obama departs for a foreign tour in the Pacific. But this barely leaves any time for the Congressional Budget Office to score Mr. Obama's reconciliation fixes. Then there's House Majority Leader Steny Hoyer's far-fetched suggestion to Mr. Stupak and the antiabortion bloc that Democrats can take care of their concerns in a *third* bill, which everyone knows will fail in the Senate if it even comes to the floor.

In this wilderness of political mirrors, anything is possible. Spooked Democrats shouldn't be surprised if they wind up being double-crossed for the ostensibly greater good of Mr. Obama's legacy.

Pepper . . . and Salt

THE WALL STREET JOURNAL

"It's pre-global warming."

OPINION

AIG, From Shanghai to Bailout

[Information Age]

By L. Gordon Crovitz

For a case study in the volatile life cycle of information-based companies, the news last week of a planned sale of insurance operations in Asia may not sound as compelling as forecasting the next revenue stream from Facebook or divulging the technical specs of the iPad.

But the company founded in Shanghai in 1919 as American Asiatic Underwriters was built on the then-rare premise that better information was the key to better business. Over time, it became the biggest insurance company in Asia and a global powerhouse—until it grew so large and complex that it didn't have enough information to control its own risks.

American Asiatic Underwriters is better known by the name of the company it became, AIG. AIG got the biggest bailout of a private company after its financial products group got caught in the credit crunch of 2008. AIG's colorful story deserves telling now that it has to sell its original business—and its only apparent growth driver—to pay back taxpayers. Prudential has offered $35.5 billion for AIG's Asian operations.

AIG is a rare large American company founded and largely grown elsewhere. Founder Cornelius Vander Starr was the first American to start a company in China that became a global success. His original inspiration, almost a century ago, was the insight that as people live longer, policyholders outlive actuarial life expectancies, lowering insurance claims. His was the first foreign company to sell life insurance to the Chinese.

In 1935, Starr was featured in Fortune magazine for having profits estimated to be as large as any U.S.-based insurer. "This money is earned upon a sociological premise, that the standards of living and hygiene of the Chinese middle classes are improving, with a consequent decline in the death rate," Fortune explained. "Indeed, since Chinese statistics are all but nonexistent, the success of Mr. Starr's American Asiatic Underwriters . . . is perhaps the best available proof that the death-rate decline in China is a reality."

The company didn't always make the right call. At first, Starr thought that Mao and the communists would leave freewheeling Shanghai alone. Instead, his managers were jailed and company property was confiscated.

"Our companies were wrung dry like dishrags until we had lost everything," his country manager, Charles Miner, told Time magazine in 1956 when he managed to escape the country after bribing communist officials.

Still, the company went on to develop a specialty in risk analysis and was a pioneer in the creation of insurance products to limit political risk. These included policies to protect companies against expropriation and the risk that their currency could no longer be converted due to changes in government rules.

Former AIG executive Ron Shelp recalls how he created a unit to compete with the U.S. government's Overseas Private Investment Corp. by selling insurance focused on political risk. The company gathered data "to insure a wide assortment of risks—from a baseball team wanting protection against rainstorms to the cargo of a Czech ship carrying refugees from Vladivostok to Europe," Mr. Shelp writes in his book "Fallen Giant."

Starr's successor, Maurice "Hank" Greenberg, helped reopen China, where he was a frequent visitor in the 1980s as economic reform began. He bought from an art dealer the original carved doors that had been part of the Summer Palace in Beijing, then donated them to China.

Associated Press

Hank Greenberg in Hong Kong, 2009

AIG was eventually accepted as such an old friend of China that in 1998 it was allowed to return to its pre-Mao headquarters in Shanghai.

Mr. Greenberg had the foresight and diplomatic skills to help return capitalism to China. But when then-New York Attorney General Eliot Spitzer went after Mr. Greenberg on an alleged accounting violation, the AIG board felt obliged to toss him out in 2005. Mr. Spitzer never did file criminal charges against Mr. Greenberg and the charges at the heart of a civil case lodged against the man who led AIG since 1968 were eventually dropped.

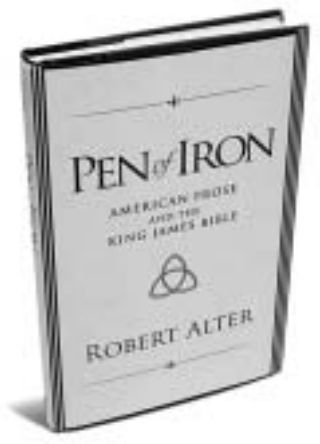
Opinions differ on whether or not he could have prevented the later enormous losses in the company's financial products group. The group badly underestimated the collapse of asset-backed securities in the fall of 2008—a fatal failure to understand risk.

Ironies abound. A company built on taking prudent risks was upended through imprudent risk taking. A company that sold policies to protect against expropriation overseas was taken over by Washington. A company with entrepreneurial roots in prewar Shanghai ends up owned by a risk-averse U.S. government willing to sell prime assets such as the Asian operations.

Meantime, Mr. Greenberg now runs an insurance company called C.V. Starr & Co., which has been hiring former AIG executives. Its headquarters are in New York, but field offices include Hong Kong, Beijing and Shanghai.

Beginning With the Word

[Bookshelf]



Pen of Iron
By Robert Alter
(Princeton, 198 pages, $19.95)

By Stephen Miller

Once upon a time critics spoke of the pleasure they derived from reading a work of literature. They talked of an author's descriptive gifts or insight into human nature—even about a distinctive literary voice or prose style. But a generation ago many scholars, besotted by French theorists, concluded that this way of discussing literature was naïve, if not wrong. They argued that one should instead scrutinize novels—now called "texts"—for the self-subversive qualities of language itself or for hidden authorial bias.

Robert Alter would like us to return to the earlier view. These days, he says, teachers "look right through" literary style in their effort to ground texts "in one ideology or another." But style is valuable in itself. It is not only a source of "deep pleasure"; it is, he says, "the vehicle of a particular vision of reality." In "Pen of Iron," Mr. Alter—best known for his translations and close readings of the Hebrew Bible—looks in particular at how the King James Bible has influenced the prose style and literary voice of several American writers.

The first work he discusses, as it happens, is not a novel; it is the Gettysburg Address. Why does Lincoln say "four score and seven years ago" rather than 87? The locution alludes to "three score and ten," a phrase that appears in the King James Bible more than 100 times. Like other Bible-derived phrases from Lincoln's public speaking—"a house divided against itself cannot stand" is perhaps the most famous—the biblical cadences of the Gettysburg Address confer "weight and solemnity."

The King James Bible, Mr. Alter observes, has two major stylistic traits. It generally uses words of Anglo-Saxon rather than Latin origin, and its sentences often have a paratactic structure—that is, they juxtapose a series of short elements, sometimes joining them with a simple conjunction (usually "and"). Mr. Alter hears biblical diction and rhythms in several 20th-century novels, including Hemingway's "The Sun Also Rises" (1926), Marilynne Robinson's "Gilead" (2004) and Cormac McCarthy's "The Road" (2007). Not that biblical echoes, by themselves, make for great literature. "After the passage of eight decades," Mr. Alter writes of Hemingway's book, "much of the novel looks rather flat—its characters sketchy, lacking psychological or moral complexity." Mr. McCarthy's "mesmerizing power as a stylist," he says, "often seems to exceed his range and insights as a novelist."

Mr. Alter prefers novels that offer a range of styles, like Herman Melville's "Moby-Dick." The Bible is a "strong thread" in that novel's prose and themes. There is the thundering sermon to the whalers in New Bedford, for instance, before the voyage begins. Ahab's name (like Ishmael's) comes from the Bible, and Ahab's war with the whale has an apocalyptic quality to it, as if aimed at vanquishing evil itself. The grog onboard the Pequod, Ahad says to his men, is "hot as Satan's hoof" and "forks out at the serpent-snapping eye." Ishmael, serving as Melville's narrator, can be paratactic, too: "Lank Bildad, as pilot, headed the first watch, and ever and anon, as the old craft dived deep in the green seas, and sent the shivering frost all over her, and the winds howled, and the cordage rang, his steady notes were heard."

How the cadences and diction of the King James Bible affected the prose style of American writers.

But there are other threads in "Moby-Dick," Mr. Alter says: "Shakespeare, Milton, the English Baroque prose writers of the seventeenth century, sailors' argot . . . and the colloquial Yankee speech of antebellum New England." He argues that "extravagant stylistic hybridity" in "Moby-Dick" is an appropriate vehicle for what Melville wants to convey—"the unfathomability of human nature" and "the inscrutability and blind power of the natural world."

Mr. Alter sees admirable stylistic variety of Saul Bellow's "Seize the Day" (1956), too. Bellow, who confessed to reading the King James Bible all his life, drew on its "stylistic spareness" as a counterweight to "the exuberant side of his writing." At one point the novel's hapless protagonist, Tommy Wilhelm, remembers a time in his life when he was at peace with himself. The language is strongly indebted to Psalms: "He breathed in the sugar of the pure morning. He heard the long phrases of the birds. No enemy wanted his life."

Mr. Alter discusses Faulkner's "Absalom, Absalom!" (1936), but his argument centers less on style than on theme, since Faulkner's prose is not especially biblical. Rather, Mr. Alter writes, the King James Bible serves as a "thematic lexicon" for Faulkner. Certain key words give "Absalom, Absalom!" a scriptural quality even beyond its retelling of the King David story. Faulkner pulls together into "a catastrophic climax" a cluster of terms that are "drawn from the Bible—land, curse, son, birthright, inheritance, house." As for Faulkner's style, it is not entirely to Mr. Alter's liking. He speaks disapprovingly of Faulkner's "often bewildering abstractions," his "fondness for arcane and flamboyant terms" and his "convoluted syntax." These qualities, it should be said, have attracted readers as much as repelled them over the years.

Will 21st-century American novelists be influenced by the King James Bible—or any other version? Mr. Alter notes that "the Pilgrims, and their descendants for many generations, were Bible-steeped, Bible-quoting folk," but the popularity of the Bible waned by the end of the nineteenth century. Though of course it looms large in the lives of church-going Americans, "we no longer have a culture pervaded by Scripture, where . . . the active memories of ordinary people are stocked with many hundreds, perhaps thousands, of phrases and verses from the canonical texts." It looks as if, to keep this classic work of English prose alive, it will have to be read in school.

Mr. Miller's latest book is "The Peculiar Life of Sundays" (Harvard).

Comments? The Journal welcomes readers' responses to all articles and editorials. It is important to include your full name, address and telephone number. Please send letters to the editor to: **Letters@WSJ.com**

THE WALL STREET JOURNAL. ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*

Published since 1889 by
DOW JONES AND COMPANY

© 2010 Dow Jones & Company. All Rights Reserved

DOWJONES
A News Corporation Company

OPINION

The Euro Has Been a Smashing Success

By George Melloan

Even small financial crises like the Greek embarrassment stir up a lot of fuss. Germans are complaining that the 1992 Maastricht Treaty did not have enough teeth to discipline states that broke its rules and that tougher measures are needed. In Athens, the public employee unions are loudly warning their socialist friends against any austerity measures that might cut employee benefits. For comic relief, there's the U.S. Senate, where Chris Dodd blames Greece's plight, not on the Greeks themselves but—of course—on "Wall Street."

Greeks knew it would be a boon to *taverna* keepers to share a currency with rich German tourists.

Being Greek, the Athens demonstrators aren't likely to calm down. But everyone else should. The euro bloc is not threatened with collapse. Its members know that the creation of a single currency in 1999 was a truly historic achievement, perhaps the greatest of the 20th century. The euro now serves 329 million Europeans who in recent memory were organized into warring tribes. It has fulfilled the expectations of Nobel laureate economist and euro designer Robert Mundell, who said in 1999 that it would give Europe a world-class currency, second in importance only to the dollar.

Non-Europeans benefited as well. Mr. Mundell forecast that the euro would provide global investors with "another 'island of price stability' in addition to the dollar area, in which they can put their capital and use to value their investments." It surely is not a coincidence that the decade of the euro has also been a decade of remarkably rapid growth in global GDP, a truth that can be attributed to reductions in trade barriers, including currency exchange transaction costs. Europe may have other problems, especially heavy welfare state burdens, but it no longer has currency palpitations of the type it had before the euro.

It's hard today to imagine the Europe of 20 years ago. Drive in a straight line in any direction from Brussels and in less than an hour you were over someone's border. If you needed gas or wanted food you had to exchange your Belgian francs for French francs, German marks, or Dutch guilders, paying a commission to a money changer. Exchange rates were in constant flux, which meant that traders had to hedge exchange risks at a cost that also was passed on to consumers. And competition across borders, which was the point of the Common Market from its infancy, was inhibited by the fact that there was no single standard of value.

Had the benefits not been so obvious, the euro would have been a tough sell in a Europe where individuals cherish their national identity. But it not only won voter approval in the 11 original member states, it stirred Greece to take extraordinary measures to gain entry in June 2000. Greeks knew it would be a boon to *taverna* keepers to share a currency with rich German tourists. The government had to apply some clever window dressing to its accounts, but it's doubtful that the Germans or French were fooled.

David Gothard

The Maastricht percentage-of-GDP ceilings of 3% on government deficits and 60% on government debt were an effort to bring discipline to states with longstanding and disparate political traditions. Some, like Greece, were notorious for bad fiscal management. German Chancellor Helmut Kohl wanted to levy fines against violators, but it happily occurred to someone that fines would just make the deficits bigger.

Not to worry. A far more powerful enforcement mechanism was inherent in monetary union. Since member states no longer controlled their own currencies, they could no longer inflate their way out of debt, the traditional escape hatch for profligate governments. The European Central Bank was given a single mandate, to maintain the value of the euro. In contrast to Federal Reserve legislation, there was no mumbo jumbo about maintaining full employment, a task beyond the competence of a central bank.

Given these circumstances, Greece's political class must either face up to the unions or go broke. As monetary analyst Axel Merk blogged this week, "Like most countries, Greece spent a great deal of money before and throughout the financial crisis. Governments have started to realize that financing all this debt costs money—and they are shocked. Stronger countries, like the U.S., are borrowing trillions in the market this year, crowding out access to credit for smaller countries. As of this writing, the U.S. government pays 3.64% to borrow money for 10 years; in the euro zone, Germany 3.11%; France 3.40%; Spain 3.90%; Italy 4.03%; Greece 6.64%."

Greece is thus a victim of not only its own, but U.S. excesses. Europe wants to help. After all, those Greek Isles are a lovely European playground and no one wants to see Greece fail.

Germany's Angela Merkel and France's Nicolas Sarkozy suggest that the right austerity measures could attract aid. The only lever the Greeks have to counter the austerity pressure is to threaten to drop the euro, or in other words, commit suicide.

The euro zone would never miss Greece, which accounts for only 2% of its total GDP, but Greece would sure miss the euro zone. The euro exchange rate for a revived drachma would look very unpalatable to Athenians shopping for German or Italian goods. A return to "Zorba the Greek" living standards would be a prospect. Of course, there's always the IMF hovering on the sidelines hoping to find a new client, but Germany and France have wisely told the IMF devaluationists to butt out.

It's hard to ignore the parallel between Greece and three American profligate states, New York, New Jersey and California. They all got themselves into trouble in large part through excessive generosity toward public employees, in America as in Greece a powerful political constituency. The Obama stimulus bill of early 2009, partly a backdoor bailout for over-borrowed states, was less than a success.

The European Central Bank is not trying to inflate the euro bloc out of its troubles and for that it can be commended. The same cannot be said of the Fed, which has proved willing to finance the most profligate nation on the planet, the United States. As last week ended, skies were brighter over Greece. The markets were pleased enough by the austerity package to snap up $6.85 billion in Greek 10-year bonds. The 6.3% coupon no doubt helped as well.

Mr. Melloan, a former columnist and deputy editor of the Journal editorial page, is author of "The Great Money Binge: Spending Our Way to Socialism" (Simon & Schuster, 2009).

Entrepreneurs and Eggplant

By Gurcharan Das

New Delhi

Risk is built into capitalism because the rewards of investment arrive in the future. Risk usually comes from the unknown responses of customers and competitors in the marketplace. But in India, the greatest uncertainty still emanates from government and its overweening regulators, despite 18 years of economic reform. If anything holds India back from realizing its true potential, it is weak institutions of governance.

Nowhere is this heartbreaking truth clearer than in the tale of Maharashtra Hybrid Seeds Company. Founded in 1964 by Badrinarayan Ramulal Barwale (who received the World Food Prize in 1998) Mahyco, as it is known, has done pioneering work in hybrid seeds. Today Monsanto holds a 26% stake in the company. Having produced hybrids of cotton, sorghum, sunflower and wheat, it is currently researching improvements to more than 30 crops.

The development of genetically modified eggplant, known locally as Bt Brinjal, was the latest in this string of innovations. Mahyco's scientists toiled for years to figure out how to kill the pest, Brinjal Fruit and Shoot Borer, which wipes out 30% to 40% of India's annual crop. Mahyco conducted 25 environmental biosafety studies supervised by independent and government agencies to ensure that its product had the same nutritional value and is compositionally identical to regular eggplant; finally, it did rigorous field trials in collaboration with two Indian agricultural universities.

In October 2009, after nine years of trials, their invention was approved by the government's Genetic Engineering Approval Committee, which stated Mahyco's product is "effective in controlling target pests, safe to the environment, non-toxic as determined by toxicity and animal feeding tests, nonallergenic and has potential to benefit the farmers." Top Indian and international scientists hailed the innovation, hoping that it would open the door for further research and trials on the more popular foods like rice and wheat.

Yet on Feb. 9, Environment and Forests Minister Jairam Ramesh stopped the seed's introduction. He privileged the concerns of environmental groups, who had opposed Bt Brinjal on grounds of potential human and animal health and biodiversity. In placing an indefinite "moratorium" on the product, Mr. Ramesh adopted the precautionary principle, citing the need for more safety data and an absence of any "overriding urgency." He ignored the government's own regulatory process, the committee of distinguished scientists who had approved Bt Brinjal after nine years of intensive trials, and he undermined the trust between the citizen and the state.

A case study in how India's government is the main obstacle to economic progress.

It is a testimony to our argumentative democracy that the story did not end there. Mr. Ramesh's decision led to a huge outcry among India's scientists and farmers. Last month, Agricultural Minister Sharad Pawar wrote to the prime minister that biotech innovations that withstood regulatory scrutiny "should be vigorously encouraged." Any hesitation, he wrote, could hamper research in India on transgenic varieties of potato, rice, mustard, tomato, groundnut, chickpea and pigeon pea currently underway. He added: "Absence of clarity on some of these issues could jeopardize R&D not only by the private seed companies but also by public institutions."

In other words, India cannot attract investment if entrepreneurs cannot predict how the government will react. The telecommunications ministry has wavered for years on whether or not to sell 3G spectrum, and how to do it. Equally disheartening is the recent experience of private entrepreneurs in dealing with the railways ministry. Encouraged to invest in freight movement on the promise of a level playing field, they have discovered formidable hurdles placed in their way by the government's monopoly railway company. Similar stories abound in the airline industry, financial services and retail, too.

Entrepreneurs are used to risk—in fact, they seem to thrive on it. What really throws a spanner in the works of capitalism, however, is uncertainty. What's the difference? As the late great economist Frank Knight wrote in "Risk, Uncertainty and Profit," risk can be quantified using statistical analysis, yielding probabilities that guide efficient decision-making. Uncertainty, on the other hand, cannot be measured and therefore presents a true barrier to business. The capricious decisions coming out of Delhi are creating uncertainty.

Indian civilization has long understood the role of government in mitigating risk. The theme of risk even appears as far back as 2,000 years ago in the ancient Indian epic the Mahabharata, where a famous game of dice is the metaphor for the uncertain, vulnerable human life. The epic looks to the ruler and his dharma to bring predictability in the lives of human beings.

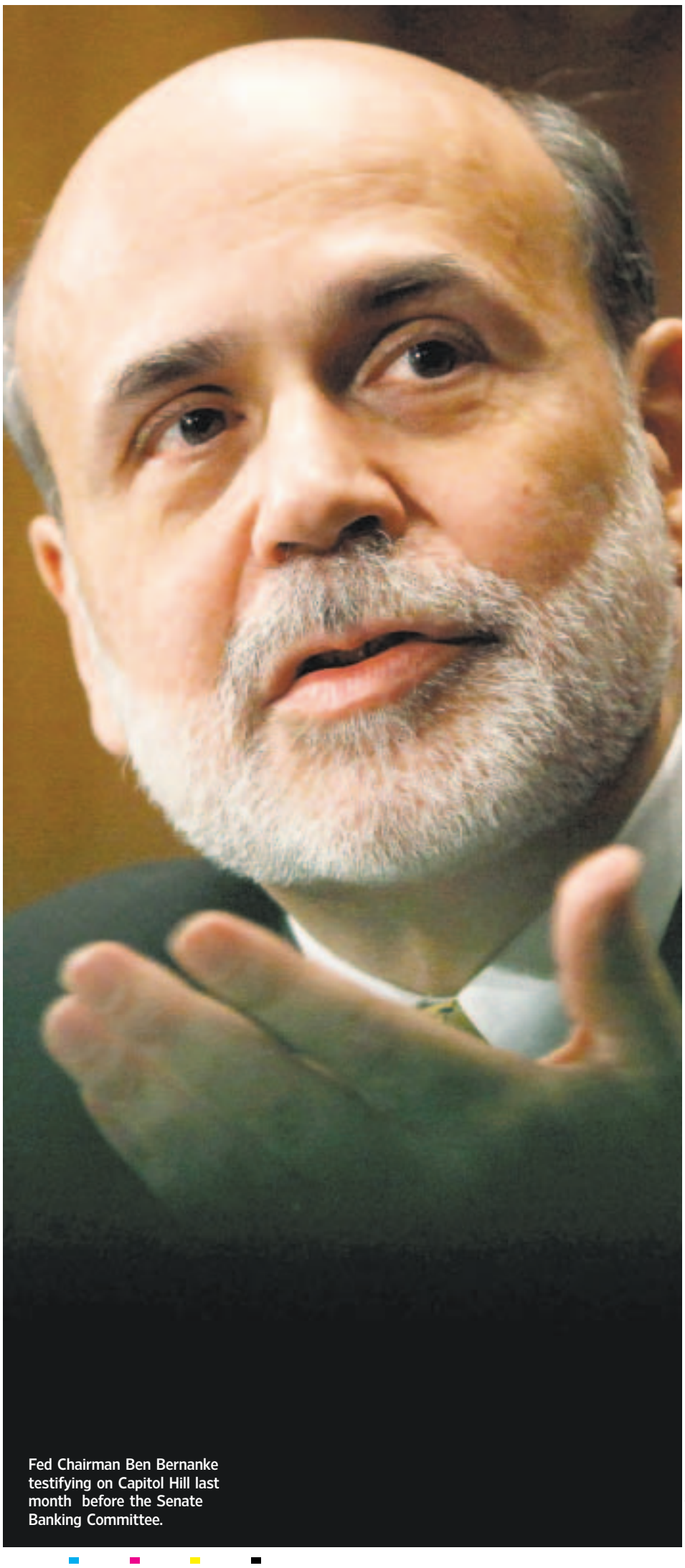
In the same way, it is the duty of governments to bring predictability into the uncertain lives of investors and business people. Entrepreneurs face more than enough insecurity in the marketplace. If India's government does not ensure a reliable regulatory environment or if allows ministers to interfere in established institutional mechanisms, who will take courageous, long-term risks? Who will invent the seed that sparks a second green revolution? No wonder investors continue to believe that authoritarian China is more investor friendly than democratic India.

Mr. Das, former CEO of Procter & Gamble India, is the author of "The Difficulty of Being Good" (Penguin, 2009) to be published in the U.S. in September by Oxford University Press.

IN DEPTH

Battle inside the U.S. Fed rages over bank regulation

At stake is its effectiveness in guiding the economy and America's ability to avoid financial crises in the future



Fed Chairman Ben Bernanke testifying on Capitol Hill last month before the Senate Banking Committee.

Associated Press

By Jon Hilsenrath

The worst of the banking crisis may be long over, but the political contest over the U.S. Federal Reserve is entering a crucial phase in which its personality and role will almost certainly be redefined.

The Fed has tried to fend off very public efforts in Congress to strip it of responsibility for regulating America's banks, but a less-visible battle has been playing out inside the central bank. The Fed has undertaken a wrenching reorganization of its army of 3,000 bank supervisors, which has centralized more power in Washington and sometimes pitted officials at the 12 regional Fed banks against those in the capital.

Fissures at the central bank boiled over last year in a meeting in the boardroom of a Fed branch office in Memphis. The presidents of the regional banks, which dot the country from Boston to San Francisco, complained to Fed Vice Chairman Donald Kohn that the Fed's Washington bank-supervision group was adrift and not providing the district banks needed guidance on how to navigate a worsening banking crisis. Soon, though, Washington was more involved than ever. In one example: The Atlanta Fed was subjected to an especially thorough critical review of its performance as a regulator because of the large number of bank failures in the Southeast.

"The stress level of the past few years has been pretty high," says William Estes, 60 years old, who retired as head of the Atlanta Fed's bank-supervision group. The group has since been reorganized. "At a certain point you've just had enough."

Though partly a turf war, the fight over—and within—the Fed is much more than that. It is part of a broad battle over how America's financial system should be regulated, still unresolved 18 months after it stood at the brink. The ultimate outcome could shape finance as much as anything since the 1930s, when the Federal Deposit Insurance Corp. was created, or the 1990s, when banks gained freedom to cross state lines and build trading desks to compete with Wall Street.

The effort will influence how financial firms interact with the public, who decides how much risk they can take and ultimately how profitable they are. At stake, beyond that, are the Fed's effectiveness in guiding the economy toward low unemployment and low inflation, and America's ability to avoid financial crises in the future.

Before 2008, regulators and Wall Street had convinced themselves that a quarter-century of financial innovation had made the system safer by dispersing risk; responsibility was best left in the hands of banks' risk managers rather than regulators. Today, a new mindset prevails in many quarters, including the Fed. It now is guiding commercial banks on everything from how to pay employees to how to adjust for risks in areas like commercial real estate and construction loans.

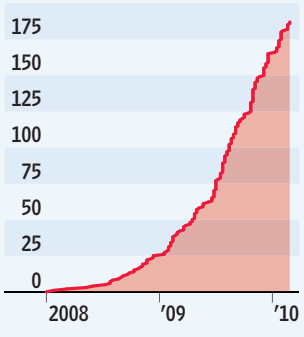
"We have been conducting intensive self-examination of our regulatory and supervisory responsibilities and have been actively implementing improvements," Fed Chairman Ben Bernanke said last month, in a plea to lawmakers to preserve the Fed's powers. He told the Senate it would be a "grave mistake" to dilute the Fed's supervisory power, arguing that doing so would hurt the central bank's ability to steer the economy and respond to financial emergencies.

Mr. Bernanke has empowered a recent appointee to the Federal Reserve Board, Daniel Tarullo, to make the Fed a more assertive and nimble regulator. "The regulatory system did not keep up with changes in the industry and with new financial products," says Mr. Tarullo, a Georgetown law professor and former Clinton White House aide who was a critic of bank regulators before the crisis. "Our job is to go ahead, within our existing authority, with the development and implementation" of a better approach, he says.

When the U.S. created a central bank in 1913, a hotly debated compromise left power divided among Washington, New York and the other district Fed banks. Washington's authority later grew, but the district banks have continued to play a major role, especially in regulation. The Fed board of governors in Washington has given the district banks many day-to-day duties in overseeing 800 small state-chartered banks and more than 5,000 bank holding companies. Some 17,000 of the Fed's 20,000 employees work at the regional Fed banks.

Taking a toll

Cumulative U.S. bank failures since the beginning of 2008



Source: FDIC

Five years ago, one Fed governor sought to centralize supervision of the biggest banks in Washington. "I felt we were not being as effective as we could be," says Susan Bies, who has since left the board. "We didn't have a strong enough overall view of what was going on throughout the system." According to several people involved in the discussions, her effort was beaten back by Timothy Geithner, then president of the Fed bank in New York, which oversees some of the largest banks. Mr. Geithner, now Treasury secretary, declined to comment.

The district banks straddle an odd public-private divide. The board of each has three directors representing local commercial banks, three nonbankers chosen by banks, and three directors picked by the Fed in Washington. The boards select the district banks' presidents, in consultation with Fed headquarters. The bank influence on boards has spurred charges of a structural conflict of interest.

The president of the Fed bank in Kansas City, Thomas Hoenig, disputes that, saying the boards have no say in supervision and provide useful input on the economy. "It is important to have information from them," he said, arguing that the structure creates checks and balances that serve the nation well.

An idea still alive in the Senate Banking Committee is to hand the Fed's supervision of small banks to some other agency. Mr. Hoenig recently told Congress the result would be "further empowerment of both Washington and Wall Street in regulating financial institutions." Camden Fine, head of a small-bank lobbying group, says shifting supervision of them from the Fed would leave the district banks "basically gutted." Worried about that threat, regional bank presidents have been personally lobbying lawmakers and speaking out for their insti-

IN DEPTH

Division of labor

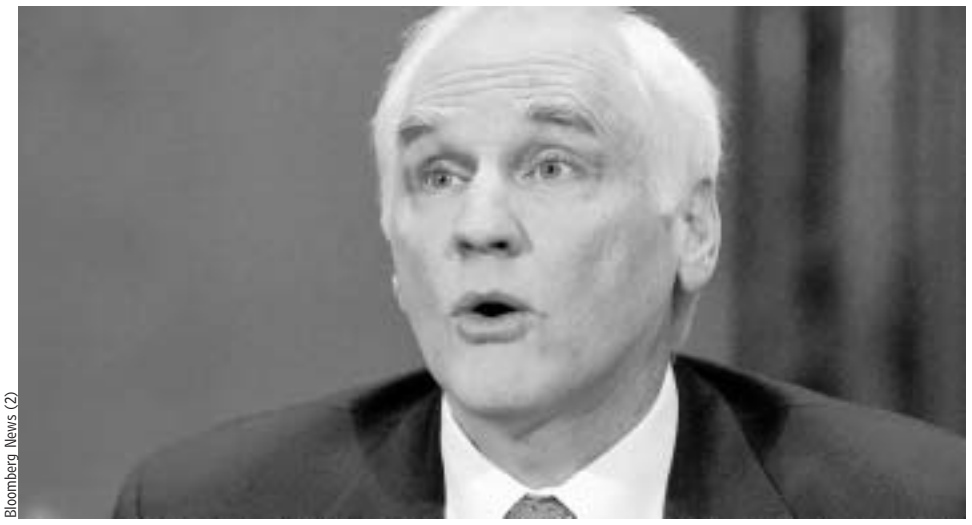
Twelve different Federal Reserve banks help oversee the banking system. Regulatory overhaul could diminish their powers.

Each symbol stands for 15 supervisors or banks

	Number of: SUPERVISORS	Regulating: STATE BANKS	LARGE BANK HOLDING COMPANIES
Boston	149	16	109
New York	608	24	126
Philadelphia	139	22	110
Cleveland	167	36	203
Richmond	286	99	253
Atlanta	292	57	628
Chicago	411	165	895
St. Louis	152	95	543
Minneapolis	143	81	563
Kansas City	223	172	800
Dallas	119	35	460
San Francisco	240	42	249

Source: Federal Reserve

Fed Vice Chairman Donald Kohn, above, at an FDIC symposium in January. Daniel Tarullo, below, a recent appointee to the Fed board, testifying at a Senate Banking subcommittee hearing last month.



Bloomberg News (2)

To do list

Eighteen months after the near-collapse of the financial system, efforts to overhaul the regulatory regime are very far from complete. Some of the key proposals and where they stand:

✕ Not done

— Partially done

	PROPOSAL	COMMENT
✕	Power to close big, failing financial firms	Passed the House, pending in Senate
—	Increasing bank capital cushions	Stress tests bolstered big banks' capital. Global rules being written.
—	Retool bank supervision	Fed stepping up big-bank exams, could lose small-bank powers
—	Improve consumer protections	Credit card rules toughened, Congress considering consumer protection agency
✕	New regulator to monitor market stresses	Congress debating whether Fed gets this job
—	Tighten scrutiny of bankers' pay	Fed supervisors now scrutinize bank pay in exams
✕	Tighten derivatives oversight	Derivatives trade clearinghouse in the works, but instruments largely unregulated
✕	Separate trading desks from banks	'Volcker Rule' embraced by Obama, not Congress

tutions more aggressively.

Tensions were high a year ago as Fed bank presidents met in the boardroom of a Fed branch in Memphis with Mr. Kohn, the vice chairman. Mr. Hoenig and other district-bank presidents wanted clear direction on what to look for and how to proceed, especially since they had been given a large task: "stress tests" on the 19 biggest banks to gauge how well they might withstand the worst economic scenario.

The district banks' regulatory burden also had grown with the addition of institutions newly registered as bank holding companies, such as Goldman Sachs Group Inc. and Morgan Stanley. Some of the presidents say the Fed's Washington bank-supervision division became demoralized by years of scant interest in regulation from former Chairman Alan Greenspan, and told Mr. Kohn they wanted more leadership from Washington.

Mr. Kohn, who recently announced plans to retire, declined to comment. Mr. Greenspan, in an interview, acknowledged that banks should have been forced to hold more capital. He said he regretted the Fed didn't do more to stem the risky rise of "megabanks," an issue he raised in 1999. Mr. Greenspan said he shouldn't be blamed for imposing a deregulatory mind-set. As chairman, he said, he deferred to staff and other governors on regulatory matters.

Several weeks after the Memphis meeting, the Fed's director of bank supervision and regulation in Washington, 64-year-old Roger Cole, decided to leave. He says it was just time to retire, after 35 years at the Fed, including three "very difficult" ones as director. His deputy, Deborah Bailey—a strong voice on supervision, whom Mr. Bernanke had asked to lead the stress tests—also decided to go.

New governor Mr. Tarullo, who envisioned a big role for centralized government oversight, took on an assertive role.

Though the biggest banks drew the most attention during the stress tests last April and May, Fed officials also worried about large regional ones, especially in the Southeast, the scene of many bank failures. Mr. Tarullo and his team tussled with the Atlanta Fed over **Regions Financial** Corp., an Alabama bank with assets of $116 billion. They wanted tough assessments of the losses Regions might face if Florida real estate worsened.

Regions advised investors it was likely to see $3.4 billion in combined 2009-10 losses, and no more than $5.9 billion in the worst case. Mr. Tarullo's team told the Atlanta Fed those estimates were too low and pressed it to push harder, according to people involved in the tests. In the end, the Fed demanded Regions raise enough private capital to withstand $9 billion in possible losses. It did so.

Dennis Lockhart, president of the Atlanta Fed, wouldn't comment on Regions. He said there was normal back-and-forth, sometimes intense, among banks, Atlanta supervisors and Fed officials in Washington.

A spokesman for Regions declined to comment, but bank officials have been critical of the stress tests. "We didn't get credit for the significant de-risking that we took at the end of 2008," Chief Executive Dowd Ritter told analysts in September. He noted that the Fed's loss estimates have so far proved too pessimistic. Regions's 2009 loss was $1.03 billion.

Fed officials see the stress tests as a turning point in their efforts to stabilize the financial system, prompting the 19 largest banks to raise $140 billion in private capital. Inside the Fed, the stress tests had another effect. They gave officials a road map for strengthening Washington's hand in bank oversight, especially of the biggest institutions. Fed officials had been squabbling internally for several years about how to oversee the big banks, with Washington's push for more control resisted by regional Fed banks, especially the one in New York.

The new approach teams economists with on-the-ground supervisors to take a broader view of risks flowing through the financial system, rather than the old bank-by-bank approach led by regional Fed banks. It also involves Washington-led "horizontal reviews"—comparing findings across banks to ferret out hidden risks and assumptions that are too rosy.

Mr. Tarullo began speaking of "horizontalism" and sketching out diagrams of triangles on yellow legal pads to show how the new approach to regulation would look, say people familiar with his approach.

There was more fallout for the Atlanta Fed. Its oversight of several small banks drew criticism from the central bank's inspector general. In one case—the quick failure of a small start-up called Community Bank of West Georgia—the inspector general concluded the bank's big exposure to risky construction loans "warranted a more forceful supervisory response."

The Fed's Washington supervision office, while acknowledging the Atlanta Fed had urged the small bank to address underwriting problems, agreed with the inspector general's conclusion that more should have been done. Asked to comment, an Atlanta Fed spokesman deferred to the board in Washington.

Mr. Tarullo is pushing ahead aggressively to strengthen the Fed's bank oversight. In a move seen as a sign of change, he and Mr. Bernanke have named a senior Fed economist, Patrick Parkinson, to run the bank-supervision unit at Fed headquarters.

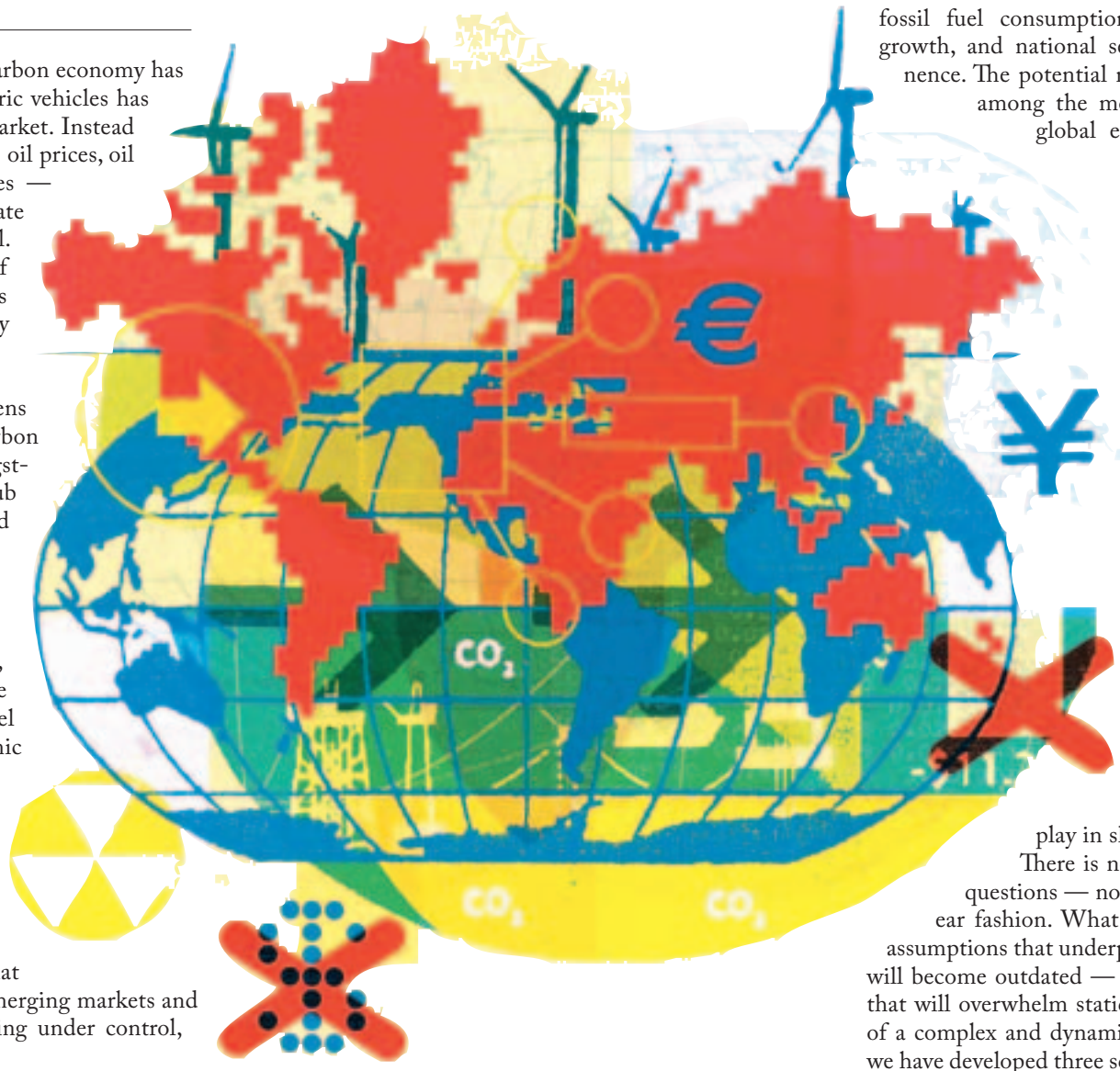
Many bankers and regulators still "don't fully appreciate the magnitude of what went wrong," Mr. Tarullo says. "There is this kind of instinct [in Washington] to deflect all of the blame to somebody else."

SPECIAL ADVERTISING SECTION

BUILDING A NEW ENERGY FUTURE:
CERAWEEK® 2010

What is the Next Surprise for World Energy?

By **James Burkhard**



The year is 2030 and the low carbon economy has arrived. The wild success of electric vehicles has changed the psyche of the oil market. Instead of fear of running out amid $500 oil prices, oil has slipped out of the headlines — except for stories that speculate when oil will hit $10 per barrel. The surprising renaissance of nuclear power and breakthroughs in the mass storage of electricity have broken the link between fossil fuel consumption and economic growth. All this happens without a significant price on carbon emissions. But 2030 is not angst-free. The nuclear weapons club numbers 20 countries, compared to eight back in 2010.

Is this all fanciful? Or not? Could it happen? History is full of the fanciful becoming reality. Remember, way back in 2003, when many thought the oil price could not go over $40 per barrel without destroying global economic growth? Or, in the ever-distant year of 2007, when the United States was going to need to import massive volumes of liquefied natural gas because of the unyielding decline in North American gas production? These views, along with the idea that financial crises only happen in emerging markets and that central banks have everything under control, have been upended.

How is it that we can continually be surprised by developments that turn conventional wisdom on its head? When developments occur that surprise us, it is often because our assumptions about the present — not to mention the future — have turned out wrong. The consequences can be severe, as demonstrated by the Great Recession.

That is what brings us to scenarios and why they can be so helpful — not as forecasts, which they are not, but to test our thinking and build flexibility into how we look at the world. The scenario process provides a methodology for "thinking the unthinkable" — especially important when the "unthinkable" has a habit of becoming a reality.

For instance, half a decade ago, IHS CERA's "Global Fissures" scenario laid out the dynamics of a deep world recession at a time when recessions were supposedly a thing of the past. Scenarios provide a way to get beyond the "conventional wisdom" of the moment, to test the official "doctrine," whether of a country or a company, and to put aside prestige and position in order to ask big, fundamental questions. Identifying key questions and then developing alternative outcomes to these questions is at the heart of the scenario process.

So what are the big questions that will shape the global economy, politics, security, and energy? As part of our project to develop new global scenarios, over the past year we gathered questions from people on four continents that represented a range of industries and perspectives. We collected nearly 400 specific questions that covered economic, political, security, technology, environmental and energy issues. There are many that could be the basis of valuable scenarios. But we consolidated them into three "Big Questions" the world faces.

■ *Will major powers cooperate to enhance global prosperity — or will cooperation fail?* International affairs are increasingly complex because more actors — compared with the preceding 60 years — are exerting influence on the global economy, politics, and security. How will global cooperation on security, greenhouse gas emission limits, and international trade and investment be shaped by a complex mosaic of national interests? Under what conditions might widespread cooperation take place? Will major powers cooperate to enhance global prosperity?

■ *How quickly and to what degree will the world shift to a low carbon economy?* The interplay and links between fossil fuel consumption, global warming, economic growth, and national security have grown in prominence. The potential move to a low carbon future is among the most far-reaching issues for the global economy as well as individual businesses. The pace of change, however, is highly uncertain — more uncertain than many may think — and will vary under different conditions.

■ *How successful will major powers be in avoiding a reoccurrence of economic turbulence and a weakening of the global economy in the coming decade and beyond?* The Great Recession of 2008-09 raised fears about the future stability of financial markets, capital flows, and trade patterns. Will abrupt and severe change in economic growth and consumption patterns occur with greater frequency than in the past? And what role will the state play in shaping the economy?

There is no single "right" answer to these questions — nor will they unfold in a nice, linear fashion. What is certain is that many of the assumptions that underpin a "business as usual" outlook will become outdated — and with a degree of swiftness that will overwhelm static thinking. To help make sense of a complex and dynamic global business environment, we have developed three scenarios that provide alternative outcomes to these big questions in order to enhance the robustness of decision making.

The new scenarios, on which we are still working, have the following themes at their heart:

■ One scenario explores an anxious, difficult transition from a world of concentrated power to broader distribution of wealth and influence. Alignment of interests among major powers occurs when crisis hits, not before.

■ Testing just how fast the world could move toward a low carbon economy is the anchor of another scenario. What is striking is how this becomes a world of difficult trade-offs.

■ In another scenario, the dominant characteristics are severe volatility in economic growth and poor global cooperation. Disorder emerges as security vacuums propagate.

Again and again, we are taught that no one can predict the future with any high degree of clairvoyance. But through the development and use of scenarios, we can challenge our assumptions and be better prepared for the unexpected when it, inevitably, occurs. The future holds promise of higher living standards and greater prosperity, but crises will materialize and disrupt. Security shocks, economic maelstroms, and geopolitical tension will occur, but they need not come with total surprise. It is possible to be prepared — and thus to react more swiftly and with greater flexibility. And that is far better than being caught by surprise.

James Burkhard is Managing Director of IHS CERA's Global Oil Group. He was the project director of Dawn of a New Age: Global Energy Scenarios for Strategic Decision Making — The Energy Future to 2030 *and leads the team that is developing the new IHS global scenarios and energy scenarios. For more information, contact Dalton.Perras@ihscera.com.*

Illustration by Alex Williamson

IHS CERA **IHSCERA.com**

IHS Cambridge Energy Research Associates (IHS CERA) provides insight into the energy future. It specializes in developing strategic knowledge and independent, objective analysis on energy markets, geopolitics, industry trends, and strategy. IHS CERA's team of experts is led by **Daniel Yergin**, Pulitzer Prize–winning author of *The Prize: The Epic Quest for Oil, Money, and Power*.

CERAWEEK® has been ranked one of the five most influential senior executive conferences in the world, and the only one focused on a specific industry. CERAWEEK brings together almost 2,200 leaders from more than 55 countries to discuss and debate the global energy future. **(www.ceraweek.com)**

CERAWEEK Online
Participate virtually in CERAWEEK 2010 and gain access to the conference's exclusive insights. Available for individuals or entire organizations. For more information, visit **www.ceraweekonline.com**, or call +1 617 866 5102.

IHS (NYSE: IHS, www.ihs.com) is dedicated to providing the most complete and trusted information and expertise spanning the most important concerns facing global business today: Energy, Product Lifecycle, Security and Environment, all supported by Macroeconomics. **IHS.com**

This special section was prepared by IHS CERA's research staff. Editor: Robert Laubacher

Every dollar put into the economy helps speed its growth. Imagine what $59 million a day can do.

That's how much we invest in the people, technology, and projects which supply the energy the world needs today – and the kinds of energy we'll need tomorrow.

This year, we're funding some of the world's most ambitious projects to bring energy to market, from one of the deepest producing fields off the coast of Louisiana to one of the largest natural gas projects in Australia. We're also funding technologies that will help produce ultra-clean diesel fuel, as well as start-ups unlocking new forms of renewable energy.

The energy we supply to the world keeps every sector of the economy – from agriculture to healthcare – in motion. Energy has always fueled the progress of people around the world. And will for generations to come. Jobs. Ideas. Innovations.

This is the power of Human Energy.

chevron.com

Chevron Human Energy®

CHEVRON, the CHEVRON Hallmark and HUMAN ENERGY are registered trademarks of Chevron Intellectual Property LLC. ©2010 Chevron U.S.A. Inc. All rights reserved.

FROM PAGE ONE

On the way up

Xi Jinping

Vice president and member of the Standing Committee of the Communist Party of China (CPC) Central Committee Political Bureau.

Li Keqiang

Member of the Standing Committee of the Political Bureau of the CPC Central Committee, vice premier of the State Council.

Bo Xilai

Member of Communist Party's Politburo, Secretary of the Chongqing Municipal CPC Committee.

Wang Yang

Member of the Political Bureau of the Central Committee of the CPC and secretary of the CPC Guangdong Provincial Committee.

Li Yuanchao

Member of Political Bureau of the CPC Central Committee, Secretary of Secretariat of the Central Committee and head of the organization department of the CPC Central Committee.

Wang Qishan

Member of the Political Bureau of the CPC Central Committee, vice premier of the State Council.

Source: WSJ reporting Photos: Agence France-Presse/Getty Images (Bo), Associated Press (Wang Yang), Bloomberg News (Xi, Wang Qishan), European Pressphoto Agency (Li Keqiang), Xinhua/ZUMApress.com (Li Yuanchao)

China's next leaders jockey for position

Continued from first page
gaged in Chinese-style political campaigns."

For outsiders, the result is likely to be less a change in policy in China than a change in style. While many of China's new leaders are likely to be as bland as their predecessors, some are making tentative stabs at public-relations campaigns. That could herald a new, more populist style of governance in contrast to the largely technocratic bent of China's previous leaders.

"People try to demonstrate they have fresh ideas and warrant being elevated to the highest echelons of the system," says Kenneth Lieberthal, author of several books on China's leadership.

It's difficult to know exactly what is happening behind the scenes in Beijing, and top Chinese politicians rarely speak with the Western media. But China watchers say current Communist Party leader and head of state Hu Jintao is due to be succeeded by senior Communist Party official Xi Jinping, while Mr. Wen is expected to be succeeded by his lieutenant, Vice Premier Li Keqiang.

The powerful Standing Committee is more uncertain. That group currently has nine members but seven are due to retire in 2012, with only Messrs. Xi and Li remaining. It could also be whittled down to seven members, leaving five open slots.

Over the past year, Mr. Bo has conducted a campaign against organized crime that has resulted in the arrests of 3,348 people, according to the latest official figure.

In a departure from previous campaigns, those arrested include Communist Party officials who backed the alleged criminals, including members of Mr. Bo's own administration and members of the police force.

These successes have made Mr. Bo widely popular in a country where corruption is seen as a serious problem. He was named man of the year on an online poll conducted by People's Daily, the Communist Party's official newspaper, and sends out text messages to the city's 13 million cellphone users.

His appeal was on display Saturday when the Chongqing delegation had a public meeting at the congress. Mr. Bo arrived 45 minutes late, followed by a gaggle of reporters who squealed and shouted as they all tried to enter the meeting room.

Mr. Bo faced mostly friendly questions but gave a robust defense of the crackdown, which has been criticized some legal analysts as being more of a Maoist-style political campaign than an exercise in the rule of law. "Sometimes there have been over 100 witnesses" against the accused, Mr. Bo said. "That's more than you get in European or American courts."

Some observers note that the campaign is certain to give Mr. Bo ammunition against his predecessor in Chongqing, Mr. Wang. Many of those arrested were senior officials under Mr. Wang.

Mr. Wang has countered with public calls for "thought emancipation"—a hint that he would allow more ideological freedom if he had a say.

Earlier this year, Chinese media widely reprinted a long, hagiographic article about Mr. Wang that had originally appeared in a magazine run by the People's Daily. The article claimed that Mr. Wang had been discovered by the father of China's economic reforms, Deng Xiaoping.

Then there are more conventional leaders, such as Zhang Gaoli, the publicity-shy party secretary in the port city-state of Tianjin. Mr. Zhang is cited in a book on China's new leadership as wanting to "Do more. Speak less." He is also credited with helping to turn around the economic fortunes of Tianjin, which had been somewhat left behind in the country's recent boom.

The rise of the Internet in China, which makes controlling information more difficult and can more quickly mobilize public opinion, has put a greater premium than before on effectiveness.

"The succession process is not going to be played by the same old game of cutting people's knees out from under them," said Russell Moses, a Beijing-based political scientist. "It's more [a question of] of what can you do out in the field."

Another wild card that has emerged is an effort by previous Chinese leader Jiang Zemin to bolster his waning influence. Mr. Hu succeeded Mr. Jiang as party chief in 2002 and head of state in 2003, but Mr. Jiang stayed on another year as chairman of the powerful Central Military Commission and maintains influence there.

Last week, Mr. Jiang published a collection of essays, "Annual Chronology of Jiang Zemin Thought."

The title itself was an affront to many Chinese, for whom the moniker "Thought" can be affixed only to the writings of the founder of the People's Republic, Mao Zedong.

Mr. Jiang also wrote about events after he retired in 2004, breaking a tradition over the past 15 years of having retired leaders not publicly engage in current affairs.

Most crucially, Mr. Jiang ruminated over how he stepped down from the military commission in 2004, saying he had to "mull it over" for a long time—even though according to the Communist Party's internal rules on age he had not choice but to retire.

Some observers see it as a quiet nudge at Mr. Hu to step down as head of the same commission and not hang on.

"The more he tries to intervene, the more he damages his legacy," says Huang Jing, a visiting professor at the National University of Singapore. "He's hindering the institutional arrangement for power transition."

AIG, MetLife finalize $15.5 billion Alico deal

Continued from first page
decides to sell its stake.

MetLife didn't receive government money during the financial crisis, and it competes head to head with AIG's U.S. life-insurance and retirement-services business in several areas, such as fixed and variable annuities and life-insurance policies. MetLife will use some of its existing cash and issue new equity and debt securities to help finance the cash portion of its Alico purchase. MetLife expects the deal to boost its earnings by 45 cents to 55 cents a share by 2011. Analysts are estimating MetLife's operating earnings at $4.89 in 2011.

AIG CEO Robert Benmosche, who was previously MetLife's CEO and remains a shareholder, wasn't involved in the deal talks, which were handled by a special committee within AIG.

With the Alico pact, and one signed a week ago to sell its Asian life-insurer unit, American International Assurance Ltd., to **Prudential** PLC for $35.5 billion, AIG expects to return $32 billion to the Federal Reserve Bank of New York in the coming months, if both deals close as scheduled by year end.

An additional $19 billion is likely to be returned over the next few years when AIG's large stakes in Prudential and MetLife are sold.

Both Prudential and MetLife decided against all-cash deals for AIA and Alico, respectively, because they were concerned about the impact on their credit ratings and stock prices, said people who worked on the two deals. AIG is getting a roughly 11% stake in the U.K.'s Prudential, which is unrelated to Prudential Financial Inc. in the U.S.

After the deal was announced, Standard & Poor's said it is keeping most of MetLife's ratings on review with negative implications. Moody's Investors Service delivered mixed news to MetLife: It affirmed the current strong investment-grade ratings but changed the outlook to negative from stable.

The New York Fed, which rescued AIG from bankruptcy in the fall of 2008, has spent more than $83 billion supporting the insurance giant, of which $50 billion is to be repaid through AIG asset sales. The other $33 billion is supposed to be recouped from mortgage-linked securities previously held or insured by AIG that are now on the New York Fed's balance sheet.

Bloomberg News

AIG will take a 20% stake of MetLife, whose headquarters is in New York.

With AIG now on a path to repayment of its secured loan from the New York Fed in full, government officials and analysts are beginning to contemplate what the U.S. exit strategy from AIG could look like and how it would take shape in the coming years.

The Treasury has also pumped $47 billion into AIG via its Troubled Asset Relief Program, and holds its investment in the form of preferred shares. With AIA and Alico sold, AIG's CEO, Mr. Benmosche has said AIG plans to keep its global property- and casualty-insurance business as well as its domestic life-insurance business at its core. It expects to sell other assets, such as pieces of its aircraft-leasing firm International Lease Finance Corp., and last week it announced the sale of its remaining stake in reinsurer Transatlantic Holdings. But proceeds from these will be much smaller than what AIA and Alico are fetching.

One idea being considered by government officials and AIG insiders would involve the Treasury gradually converting small portions of its AIG preferred shares into common shares that could then be sold through stock offerings to investors, according to people familiar with the matter. Another alternative is for AIG to issue new shares to the public and use the proceeds to redeem the preferred shares.

Such a "recapitalization" of AIG's balance sheet would have to occur over several years, given that Treasury's $47 billion in preferred shares dwarfs AIG's stock-market capitalization of about $3.8 billion.

Stocks of leading Thai telecoms may offer a buying opportunity
BUSINESS & FINANCE 21

Plan for European IMF has promise, problems
HEARD ON THE STREET 32

BUSINESS & FINANCE.

Tuesday, March 9, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Prudential moves up Asia listing

Hong Kong IPO seeks to raise support for $20 billion rights offer; easing the sting of losing out on an AIA listing

By Patricia Kowsmann And Vladimir Guevarra

LONDON—U.K. insurer **Prudential PLC** said it is planning to list its shares in Hong Kong ahead of a $20 billion rights issue planned for May, a move aimed at enlisting Asian support for an offering that is key to the U.K. insurer's ambitious $35.5 billion purchase of **American International Assurance** Ltd. from **American International Group** Inc.

Initially, Prudential sought to list in Hong Kong after the purchase of AIA was completed, but the company moved it forward after discussions with Hong Kong authorities, according to Prudential spokesman Edward Brewster.

"We've had productive discussions with the Hong Kong Stock Exchange over the last seven days," Mr. Brewster said. "We've always planned to list in Hong Kong as soon as possible after the transaction but now are able to set out a work plan to get a listing achieved much more quickly."

Bloomberg News

Prudential PLC's listing in Hong Kong is expected by the end of April or early May. Here, the insurer's London home.

A representative at the Hong Kong Stock Exchange said the exchange preferred not to comment on a company's listing plans.

Prudential PLC isn't related to Prudential Financial Inc. of the U.S.

The "listing by introduction" will be alongside Prudential's primary listing in London and means no new shares will be offered, the company said.

Prudential's deal for AIA, a transformative move to focus the U.K.-based insurer squarely on Asia's growth markets, has nonetheless caused some disquiet over the amount of money the company is seeking from its existing shareholders to fund the purchase.

By listing in Hong Kong, Prudential hopes to relieve the pressure by making it easier for Asian investors to buy shares in Prudential. "We think there is strong investor interest in the combined group in Asia,"

Please turn to page 25

■ MetLife joins elite insurers as its reach goes global 24
■ Heard on the Street: A sensible move to shore up rights issue 32

Investment banks bulk up their distressed-debt teams

[Asia Deal Journal]

By Ellen Sheng

HONG KONG—Even as Asia's economies lead a global recovery, banks in the region are bulking up their distressed-debt teams in anticipation of more corporate defaults.

UBS, **Royal Bank of Scotland Group**, **Bank of America** and **Morgan Stanley** have hired or are hiring staffers who specialize in distressed debt—paper owned by companies already in default or operating under bankruptcy-law protection.

Bank of America Merrill Lynch in February appointed Sergio Morita, a Lehman Brothers veteran, to head distressed sourcing for Asian-Pacific region and moved an employee from its multistrategy sales team to distressed sales. Morgan Stanley hired a distressed-assets specialist for Asia in November.

Banks are hoping they will be able to act as intermediaries for funds and other interested buyers that raised money in the downturn—$3.2 billion has been raised in Asia, according to data provider Eurekahedge.

Buyers also have been bulking up in recent months: **SC Lowy Financial Services** is raising a Japan-focused distressed fund, while **Pacific Alliance Group** expanded its distressed-investing team by hiring four bankers from **Deutsche Bank** last year.

The rising interest sheds light on overlooked corners of Asia's economic recovery, which is helping to pull the world out of its economic slump. In the downturn, Asian companies fared better than U.S. and European rivals, offering Asian distressed-debt investors few buying opportunities.

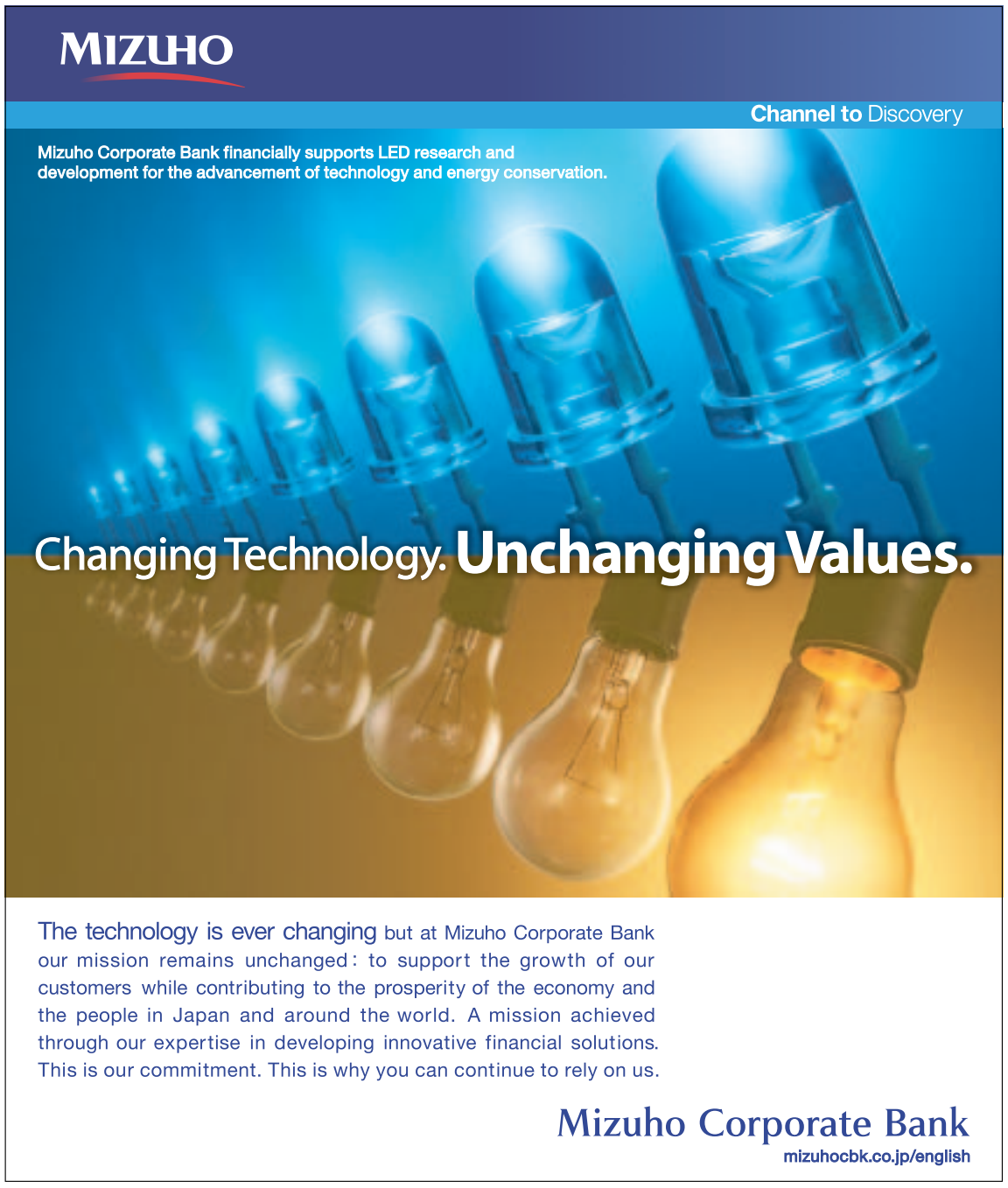
But they see opportunity as economies begin to ratchet back on low interest rates and other stimulus measures amid rising inflation concerns. They hope recent tightening measures will mean some distressed debt from property developers and companies in China and Indonesia down the road.

"There is consistent and increasing demand for capital from the region's corporations," said David Lee, head of Global Distressed Asia Pacific, at Bank of America Merrill Lynch.

They also see buying opportunities as banks face pressure to get distressed and illiquid assets off their balance sheets, and as global hedge funds look to lock in profits and refocus closer to home.

"Banks couldn't take a hit on their balance sheets in the first half of last year, but they made

Please turn to page 25


MIZUHO
Channel to Discovery
Mizuho Corporate Bank financially supports LED research and development for the advancement of technology and energy conservation.
Changing Technology. Unchanging Values.
The technology is ever changing but at Mizuho Corporate Bank our mission remains unchanged: to support the growth of our customers while contributing to the prosperity of the economy and the people in Japan and around the world. A mission achieved through our expertise in developing innovative financial solutions. This is our commitment. This is why you can continue to rely on us.
Mizuho Corporate Bank
mizuhocbk.co.jp/english

Tokyo exchange probes Fujitsu

Market begins investigation into whether technology firm withheld information about Nozoe resignation

By Juro Osawa And Daisuke Wakabayashi

TOKYO—The Tokyo Stock Exchange said it launched an investigation to see if Japanese technology services firm **Fujitsu** Ltd. intentionally hid information regarding the resignation of its president last year, shining a light on investor concerns about the level of disclosure by Japanese companies.

The bourse's investigation comes after Fujitsu Saturday corrected its official explanation for former President Kuniaki Nozoe's Sept. 25 resignation. Initially, Fujitsu said he was stepping down due to illness. This past weekend, it said instead that other Fujitsu executives asked him to resign because of concerns about his ongoing relationship with an individual linked to a company with an "unfavorable reputation."

Fujitsu shares fell 2.7% Monday on the news as investors questioned whether the ongoing saga would distract executives from pursuing the company's business strategy.

Fujitsu, like many Japanese companies, has filled its board with company insiders and close business partners. These ties between management and directors are rarely challenged by Japanese shareholders, removing the pressure for companies to be vigilant about their disclosure.

"There is absolutely no threat of a shareholder lawsuit for an executive at a listed Japanese company if something were to happen," said corporate lawyer Takeshi Nakao, a partner at Freshfields Bruckhaus Deringer in Tokyo.

Associated Press

Kuniaki Nozoe has asked to rescind his resignation as president of Fujitsu.

"The change in Fujitsu's explanation wouldn't go down well with investors," said Mizuho Investors Securities analyst Yuichi Ishida. "In terms of disclosure, investors can't help but have a negative impression."

Mr. Nozoe, who served as Fujitsu's president for 15 months, has asked that his resignation be rescinded because, he said, he was misled with false information from the company that a long-time associate was tied to "antisocial forces" that could cause Fujitsu to be delisted, according to Kei Hata, Mr. Nozoe's lawyer. In Japan, "antisocial forces" is a well-known euphemism for organized crime.

Mr. Hata said he conducted an investigation into the background of Mr. Nozoe's acquaintance and found no evidence of connections to organized crime.

Fujitsu said it originally cited "illness" as the main reason for Mr. Nozoe's resignation because the allegations were potentially damaging to the company and to him.

On Fujitsu's Web site, the company says its policy is "to disclose information promptly, accurately and fairly whenever it may affect investment decisions, even without any regulatory obligation and when it may be adverse to Fujitsu."

"It is regrettable that our explanation [in September] was insufficient," a Fujitsu spokesman said Monday. He said that the company is cooperating with TSE's investigation.

The TSE said it could take action if it determines that it was possible for Fujitsu to provide the correct information at the time of the disclosure but that it intentionally gave inaccurate or insufficient information.

The least serious punishment would be a nonpublic verbal warning, and the most severe penalty would be a delisting of shares. A person familiar with the bourse's thinking says there is almost no chance that Fujitsu will be fined or shares delisted, because the most serious penalties are reserved for companies that knowingly alter financial results.

The exchange doles out penalties, according to a TSE spokeswoman, based on how significant an impact the incorrect disclosure had on a potential investment decision.

Fujitsu said Mr. Nozoe agreed to use illness as the reason for his resignation because he was, in fact, not feeling well at the time.

A Fujitsu spokesman said Monday the company believed it was appropriate to cite illness as the cause because the company had evidence of Mr. Nozoe's hospital visits along with a medical notification of illness.

In a statement Saturday, Mr. Hata said that no such notification of his client's illness exists and that Mr. Nozoe isn't sick.

Shares in Fujitsu fell 16 yen (18 U.S. cents) to 568 yen on Monday on more than three times the average trading volume. It had the biggest declines of shares in Japan's benchmark Nikkei 225, which rose 2.1%.

DAILY SHARE PRICE

Fujitsu

Monday's close: **568 yen, down 2.7%**

Source: Thomson Reuters Datastream

Taiwan firm: Staff may have had PEMGroup link

By Ting-I Tsai

TAIPEI—**Taiwan International Securities** Corp. said its employees may have been involved with the distribution of financial products from **Private Equity Management Group** Inc., the firm run by late California financier Danny Pang.

At a news conference Monday, Jeff Chiu, president of Taiwan International Securities, reiterated previous statements that Taiwan International Securities itself didn't distribute financial products to local banks sold by Private Equity Management Group, or PEMGroup, which U.S. regulators seized in April on suspicion of fraud. In a written statement issued at the news conference, however, Taiwan International Securities said "some of its employees" may have "privately" distributed a total of $15 million of financial products for **Genesis Voyager Equity** Corp., which a Taiwan International Securities spokesman described as a PEMGroup subsidiary.

The company declined to give details about the employees or say how many may have been involved.

The statements came after officers from the Investigation Bureau under Taiwan's Ministry of Justice on Friday executed searches of Taiwan International Securities' offices, as well as the offices of two of its subsidiaries and the homes of its current and former chairmen. The Taipei District Prosecutors Office said it is looking into whether Taiwan International Securities "illegally distributed" financial notes for PEMGroup.

The chairmen couldn't be reached for comment Monday.

The Taiwan International Securities statement Monday said the company would "take responsibility" for its employees' actions if necessary.

Asked about the written statement after the news conference, Mr. Chiu declined to elaborate.

Wang Wen-de, a spokesman for the Taipei District Prosecutors Office, said in response to Monday's statements by Taiwan International Securities that he couldn't share further information about the investigation.

Several Taiwanese financial firms between 2004 and 2008 distributed a total of more than $800 million of structured notes from PEMGroup. After the firm was seized, a court-appointed receiver discovered a hole in its books initially estimated to be between $400 million and $600 million.

Mr. Pang, who was born in Taiwan, was accused by the U.S. Securities and Exchange Commission of running a Ponzi-like scheme and misusing funds from PEMGroup to finance a lavish lifestyle. Pang denied the allegations until his death in September, at age 42, in what a coroner later ruled was a suicide.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Advanced Info Service 21
All Nippon Airways 5
Aluminum Corp. of China 27
American International Assurance 19
American International Group 1, 19, 24, 27, 32
Anglo American 32
Arrow Energy 1, 27
Asia Aluminum Holdings 25
Asiana Airlines 5
AT&T 27
Bank of America 19
Bank of Communications 27
Beijing North Star 27
BG Group 21
BHP Billiton 27
British Land Co. 25
Canon 3
China Citic Bank 27
China XLX Fertiliser 32
Cisco Systems 23, 27
ConocoPhillips 21
Credit Suisse Group 25
Dai-ichi Mutual Life Insurance 25
Daimler 27
DBS Group 32
Deutsche Bank 19
Estee Lauder 22
Fujitsu 20
Genesis Voyager Equity 20
Glencore International 32
Government of Singapore Investment 32
Hewlett-Packard 23
Inpex 27
International Business Machines 23
Japan Airlines 5
J.P. Morgan Chase 25
Maharashtra Hybrid Seeds 13
McDonald's 27
Merck 27
MetLife 1, 24, 27
Metric Property Investments 25
Morgan Stanley 19
Nissan Motor 27
Nortel Networks 23
NTT DoCoMo 25
Oil Search 27
Oriel Securities 25
Pacific Alliance Group 19
Pacific Metals 27
Panasonic 27
PEMGroup 20
PetroChina 1, 27
Petroliam Nasional 21
Pfizer 27
Private Equity Management Group 20
Procter & Gamble 13, 22
Prudential PLC 18, 19, 32
Pulaski Electric Systems 23
Pure Energy 21
Regions Financial 15
Rio Tinto 27
Royal Bank of Scotland Group 19
Royal Dutch Shell 1, 27
SC Lowy Financial Services 19
Sharp 27
Shin 21
Skymark Airlines 5
Sony 27
Standard Chartered Bank 4
Taiwan International Securities 20
Tata Motors 27
Thaicom 21
Tokio Marine Holdings 25
Toyota 27
True 21
UBS 19
Unplugged 10
Verizon Communications 27
Visa 25
Xstrata 32
Yanzhou Coal Mining 27

People

This index lists the names of businesspeople and government regulators who receive significant mention in Today's Journal.

Aburaki, Kiyoaki 3
Ahmed, Samina 6
Barnard, Marcus 25
Benmosche, Robert 18
Beresford, Valentine 25
Boegli, Rolf 25
Brewster, Edward 19
Chambers, John 23
Chiu, Jeff 20
Cole, Adam 26
Fang Wenyen 4
Flanagan, Eamonn 25
Freda, Fabrizio 22
Gradel, Chris 25
Green, Stephen 4
Gros, Daniel 32
Hata, Kei 20
Henrikson, C. Robert 24
Hoenig, Thomas 14
Hooper, Ned 23
Horrocks, Robert 24
Ishida, Yuichi 20
Jiang Jiemin 21
Jones, Andrew 25
Jones, Sidney 5
Kato, Takeshi 10
Kelley, Wes 23
Kligerman, Andrew 24
Lee, David 19
Lim, James 27
Lockhart, Dennis 15
Lowy, Michel 25
Maruyama, Yoshimasa 4
Matsushita, Shinichiro 27
Mayer, Thomas 32
Meister, Hans-Ulrich 25
Mektrakarn, Wichian 21
Miller, Elizabeth 27
Mitarai, Fujio 3
Morita, Sergio 19
Nakao, Takeshi 20
Nozoe, Kuniaki 20
Pang, Danny 20
Pawar, Sharad 13
Ramesh, Jairam 13
Sangen, Kazutaka 10
Sangudomlert, Chavit 21
Shih, Victor 4
Simpfendorfer, Ben 4
Stirling, Mark 25
Tarullo, Daniel 14
Tewari, Manish 9
Tezuka, Megumi 5
Ting Lu 32
Tudor, Geoff 5
Weinberg, Carl 24
Wen Jiabao 4
Wilbur, Jackie 10
Wu, Nina 24
Yamashita, Makoto 27
Zhang Gang 27
Zhou Xiaochuan 4, 32

Thai telecom stocks look attractive

Following declines tied to Thaksin case, analysts offer optimistic forecasts for Advanced Info and Total Access

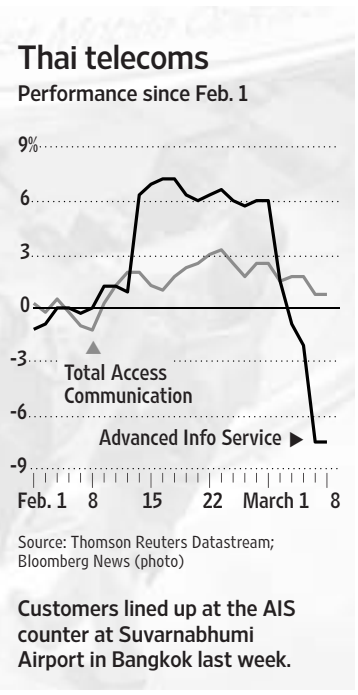
By Phisanu Phromchanya

BANGKOK—The rise in regulatory risk over Thailand's telecommunications sector has clouded the outlook of the country's operators, but recent declines in shares of dominant competitors **Advanced Info Service** PCL and **Total Access Communication** PCL could prove a good long-term buying opportunity, as analysts say the companies stand to weather the turmoil.

Thai telecom stocks have taken a hit during the past week over fears they could face legal charges and penalties for illegitimate concession amendments after the Supreme Court ruled last Friday to seize 46.37 billion baht ($1.42 billion) of ousted Prime Minister Thaksin Shinawatra's assets.

The court found Mr. Thaksin guilty of owning shares in telecom holding company **Shin** Corp. while in office from 2001-2006. He was also found guilty of abusing power and granting benefits to Shin and its units, Advanced Info and **Thaicom** PCL, causing revenue losses to the state. The Information and Communications Technology Ministry last week set up a committee to consider possible civil charges against Shin Corp. and other relevant parties such as Advanced Info, Total Access, Thaicom and **True** Corp.

But analysts say private operators are unlikely to be held responsible for damages from concession amendments agreed to by state agencies and any legal battle over the issue would take several years to settle. Until then, there will likely be limited impact on the companies' earnings and cash flow, and Advanced Info and Total Access's earnings prospects are positive. In addition, Advanced Info and Total Access pay attractive dividends and have limited investment commitments, making them better bets than Thaicom and True, fund managers say. At worst, analysts project penalties could eat up Advanced Info's fair value by between 25.20 baht a share and 59 baht a share, while Total Access's fair value could be slashed by between 6.63 baht a share and 41 baht a share. True and Thaicom aren't paying dividends because of their volatile earnings.



Source: Thomson Reuters Datastream; Bloomberg News (photo)

Customers lined up at the AIS counter at Suvarnabhumi Airport in Bangkok last week.

With limited investment demands amid repeated delays in the issuance of third-generation mobile licenses, Advanced Info's board agreed to pay an extra dividend of five baht a share on top of its 6.30-baht regular dividend per share slated for 2009, making last year's total dividend yield 14.7%. Meanwhile, Total Access's board also raised its dividend payout policy to no less than 50% of net profit from 30% for similar reasons, paying 1.39 baht dividend a share, implying a yield of 4.2%.

"We still view telecom stocks [Advanced Info and Total Access] as value plays with high prospective dividend yields," BNP Paribas said in a research note. BNP Paribas has a "buy" recommendation on Advanced Info and Total Access, with 12-month target prices of 100 baht and 39 baht, respectively.

Shares of Advanced Info fell 13% last week to end Friday at 76.75 baht, and Total Access declined 5% to 33 baht. True dropped 5.5% to 2.76 baht, while Thaicom sank 27% to 4.40 baht. Advanced Info rose to 77.06 baht on Monday, Total Access was unchanged and Thaicom fell 3.2% to 4.26 baht. True declined 2.2% to 2.70 baht on Monday.

Advanced Info Chief Executive Wichian Mektrakarn said it is still unclear if the state will file lawsuits against the company. But in case the government does, the company said it is ready to defend itself and believes it can clear any charges.

Total Access said it is monitoring the development should there be any legal cases filed against it. The company is confident it has completed all the procedures required on its side in each of the amended concessions, said the head of investor relations, Chavit Sangudomlert.

Arrow shares surge on gas bid by Shell

Continued from first page

tional oil-and-gas sources, many of which are in the Middle East.

The boom in coal-bed methane has coincided with North America's explosion in output of shale gas.

In 2008 alone the Australian industry attracted more than A$17 billion in investment, with companies including **ConocoPhillips** and Malaysia's **Petroliam Nasional** Bhd., or Petronas, making big bets on the sector. Last March, **BG Group** PLC of Britain acquired control of **Pure Energy** Ltd., another Australian coal-seam gas producer.

Several big players, including Shell, are working on projects to turn Australia's coal-seam methane into liquefied natural gas, which would then be exported to the energy-hungry markets of Asia. A successful bid for Arrow would give a boost to Shell's plans to build an LNG terminal at Gladstone port in Australia's Queensland state. The proposed plant would produce 16 million metric tons a year of LNG, but Shell doesn't have enough gas under its control at present to supply the planned facility.

Some observers are skeptical that all the announced LNG projects will go ahead, considering the vast development costs, capital constraints and skills shortages in the region.

PetroChina Chairman Jiang Jiemin confirmed the bid. In a statement, Shell said it was "participating in discussions" to acquire Arrow, excluding its international assets." It said the talks may or may not lead to an agreed transaction.

Recovering markets have made it harder for PetroChina to acquire conventional crude oil and gas assets, prompting it to look at ways of building up reserves of fuels such as coal seam gas and oil sands, which are more expensive to produce.

Business ties between Shell and PetroChina have grown closer in recent months, with the two companies signing an agreement in November to jointly develop shale gas resources in southwestern China.

Under the proposal, Arrow shareholders would get A$4.45 a share in cash plus shares in a new entity comprising Arrow's international business, Arrow said. That would total about A$3.3 billion and represent a 28% premium to Arrow's last traded price Friday of A$3.48.

The involvement of PetroChina—China's largest-listed oil company by capacity—could create a political hurdle for the bid, because Australia has taken a cautious stance on the issue of Chinese entities buying Australian resource producers. Thus far, Arrow's board has recommended shareholders take no action on the offer.

Industry watchers said they expect the deal to go through. "The capital required to develop Arrow's coal-seam methane assets is beyond Arrow," said one person familiar with the company. "Either it has to engage in a massive capital-raising effort or take this offer."

In 2008, Shell bought 30% of Arrow's coal-bed methane acreage in Queensland and 10% of its international operations for $700 million.

2009 RESULTS

A solid performance from a world leader

"VINCI has recorded very good results for 2009. Its markets promise growth over the medium to long term and present significant opportunities for the further development of its businesses. We shall therefore propose to the Shareholders' Meeting on 6 May 2010 an unchanged dividend for 2009 of €1.62 per share. Shareholders may opt for payment of the final dividend in new shares. We are thus confirming the 50% pay-out ratio commitment we made in 2006."

Yves-Thibault de Silguy,
Chairman of the Board

"Our solid performance in 2009 reflects the robustness of our concession-construction business model. It also bears out the relevance of our strategy which aims to reinforce the Group's position on growing markets where its expertise is recognised. We expect our concessions to continue growing in 2010. Our contracting businesses should see a smaller decline in revenue than in 2009 and stable operating margins. We have further strengthened our balance sheet, which enables us to move forward with confidence.

Xavier Huillard,
Director and Chief Executive Officer

Revenue: €**31.9** billion *(4.6%)**
Operating profit from ordinary activities: €**3,192** million, i.e. 10% of revenue
Net profit: €**1,596** million, i.e. 5% of revenue
Order book at 31 December 2009: €**24** billion *+ 4%***
Dividend maintained: €**1.62**/share

* 2008/2009 change
** Change compared with 31/12/2008

www.vinci.com

VINCI

CORPORATE NEWS

Katie Orlinsky for The Wall Street Journal

Lauder CEO Fabrizio Freda, in his office on New York's Fifth Avenue, aims to shake up the beauty business.

Beauty counter gets a makeover

Estée Lauder lists prices, frames indulgence

BY ELLEN BYRON

Estée Lauder Cos. CEO Fabrizio Freda, only the second nonfamily member to lead the company since its founding in 1946, would like to change the way department stores sell cosmetics.

Mr. Freda wants to woo customers who are still hesitant to splurge on upscale cosmetics. To make shopping less intimidating, some beauty counters now display prices, loosening a taboo. He is also designing counters to cater to varied shopping preferences.

Since arriving as president from **Procter & Gamble** Co. two years ago—he added the CEO title in July—the Italian-born Mr. Freda has also been working with the Lauder family to remake the company.

Estée Lauder's reliance on U.S. department stores has hampered sales growth, and its management structure has encouraged fierce rivalry among executives. The recession also curbed shoppers' appetite for high-end cosmetics.

To cut costs, Mr. Freda forced brands to share consumer research and back-office functions and cut ad and sampling spending. He also announced plans to cut 2,000 jobs.

The company's new frugality has started to boost the bottom line, with profit in its most recent quarter up 62%, to $256.2 million, and sales up 11%.

In an interview, Mr. Freda explained how he's trying to shake up the beauty business.

Excerpts:

WSJ: What happened when some of your beauty counters started posting prices?
Mr. Freda: It allowed the consumer to make up her mind without having to ask the price. This takes embarrassment away. Surprisingly, most consumers said, "I didn't know it was so affordable."

WSJ: U.S. department stores have been a drag on Estée Lauder's results for years. How do you fix that?
Mr. Freda: We are cooperating with U.S. department stores to get energy and [shopper] traffic back to the cosmetics floor. We can improve the level of service and education we give.

We know that 45% of women entering the store want only to replenish a cosmetic and not have a full trial experience. Some women, particularly younger women, like to play with products without being disturbed by a consultant. Other women want full service.

At Bloomingdale's new Clinique counter in New York, you can have full service from a consultant, analysis from a computer or browse on your own. So far the counter is doing well.

WSJ: You've cut a lot of costs. Where are you investing?
Mr. Freda: We're putting more emphasis on global product development. The biggest opportunities are skin care and makeup. In geographic terms, we're focusing on Asia in general and China in particular. We are cooperating with department stores around the globe to accelerate growth.

WSJ: You are investing more in consumer research. Why?
Mr. Freda: We don't want to just do the products that consumers want. We want to be inspired by consumer desires and surprise them with products and services that they don't expect.

WSJ: So you want to offer consumers what they don't know they want?
Mr. Freda: Correct. If you shop in a mass-market retailer, you're going to buy toilet paper, detergents and you can buy cosmetics. But this experience for the majority of women around the globe is not pleasant. When you buy cosmetics in a beautiful department store, your shopping experience is a moment of indulgence.

WSJ: Are upscale beauty consumers spending again?
Mr. Freda: In the U.S. and Europe, consumers moved away from the idea of luxury being an element of status. Will they come back to where they started in 2006 or 2007? I don't think so. But I believe the elements of quality, value sensitivity and attention to their full experience will stay for a long time.

Consumers in developing markets like China, Russia and Brazil, they're back full speed. They spend time at our counters—in this moment much more so than in developed markets.

Our MAC brand is particularly successful in emerging markets where mothers don't teach daughters how to do makeup. The bigger the cultural differences between generations, the more the service provided by our makeup artists has value.

WSJ: Some surmise that your cost cutting would make Estée Lauder an attractive acquisition. Do you see advantages in being part of a bigger company?
Mr. Freda: No. We see ourselves as an acquisitive company in the long term.

WSJ: Have any books influenced your leadership style?
Mr. Freda: "The Prince" by Machiavelli. The book is much more positive than what history says about it.

What we learn reading this book is the difficulty of change. Machiavelli explains [that] when you need to change something, you have as enemies all the people who were happy in the previous status. You look for supporters in the people who want to change but don't know how their life would be after change.

'Quality, value sensitivity and attention to [the customer's] full experience will stay for a long time.'

A look at Estée Lauder

Estée Lauder

A new Clinique counter at Bloomingdale's in New York

FY 2010
$256.2 MILLION

FY 2009
$158.0 MILLION

Profit for fiscal second quarter ended Dec. 31

Fabrizio Freda
- Age: 52
- Enjoys playing chess
- Is an avid sportsman who skis, plays tennis, runs, scuba dives and sails
- Speaks Italian, English and French

Snapshot of the CEO

WSJ.com

Online Today: Watch an interview with Estée Lauder CEO Fabrizio Freda at WSJ.com/Management.

Enjoy **The Wall Street Journal Asia** at these fine hotels...

Thai Delights at Waterside Terrace
Starting from March, authentic Thai cuisine and poolside specialities are available at Waterside Terrace.
Reservations: 2820 8580
Level 8, Island Shangri-La, Pacific Place, Supreme Court Road Central, Hong Kong
waterside terrace
THAI AND POOLSIDE SPECIALITIES

JW MARRIOTT
Pop in to Q88 Wine Bar for Happy Hour 5:00 to 8:00 pm, Mondays to Fridays (except Public Holidays)
Q88

MAIN ST. DELI
I wanna see you at Hong Kong's only authentic New York style deli!
Main St. Deli is your ultimate choice to experience traditional New York favourites in Hong Kong. Deli favourites such as salami, pastrami on rye, hot corned beef and chicken soup with matzoh ball are served in real New York style!
For more information, please contact 2375 1133.
Langham Hotel Hong Kong

Every Wednesday
2 4 1
Buy one bottle of a selected champagne, the second one is on us. Enjoy it indoors or outdoors. Cheers!
Tapas Bar Tel: **2733 8756**
Kowloon Shangri-La 64 Mody Road, Kowloon

THE WALL STREET JOURNAL. ASIA
Executive Dining features some of the leading hotel restaurants in Asia.
For more information about this program, please contact Mr. Philip Owens at Tel: 2831-2570 | Fax: 2893-5090, or visit www.wsj-asia.com to subscribe.

To Participate in the Executive Dining Program, please email to: philip.owens@dowjones.com.

CORPORATE NEWS

Bloomberg News

Cisco's CEO John Chambers has sought to lay the groundwork for the long haul.

Cisco learned from tech crash

Lessons from dot-com bust are applied now

By Ben Worthen

Few companies emerge from a recession stronger than when they entered one. **Cisco Systems** Inc. is trying to pull off the feat for a second time. To do that, the networking-gear maker is turning to a playbook it honed during the dot-com bust early last decade. Back then, Cisco chopped staff early—18% of its work force in March 2001—so it didn't need to slash again. And it began planning for an upturn by pushing ahead with investments in businesses such as wireless Internet equipment. That strategy helped Cisco outdistance rivals like **Nortel Networks** Corp. and Alcatel SA.

Now Cisco is relying on the same methods to get out of this recession—but with a more aggressive twist. During the dot-com bust, Cisco executives say they were too cautious in pouncing on acquisitions. So this time, the San Jose, Calif., company didn't hesitate. In March 2009, it agreed to acquire camcorder maker Pure Digital Technologies Inc. for $590 million, followed by a $3.4 billion offer for video-conferencing company Tandberg ASA in September. In October, Cisco agreed to snap up wireless-equipment maker Starent Networks Corp. for $2.9 billion.

Cisco also expanded to 30 from 20 the number of internal start-ups it's funding, each of which it says have the potential to turn into a $1 billion business. Cisco also expanded the number of new businesses it's funding from 20 to 30, up from four during the dot-com bust. Executives say the initiatives, which include so-called smart-grid technology that can help manage energy use, all have the potential to generate at least $1 billion a year.

"When we look back on it, we were too worried about the downturn and not focused enough on the upturn," says Ned Hooper, Cisco's chief strategy officer. "We're making investments faster this time."

Cisco's experience shows how management teams that have survived one downturn may be better equipped to handle another. Despite some defections, roughly 45 of Cisco's 65 top executives were around during the dot-com bust a decade ago. This time, "we did a better job as a leadership team than in 2001," says John Chambers, Cisco's chief executive, in part because of the earlier experience.

Cisco's moves appear to be paying off now that the economy is starting to recover. The company's profit rose 23% to $1.9 billion in the January quarter and it also forecast near-record revenue for the current quarter, which ends in May. Its stock is up 5.3% since the start of the year compared with a 2.5% gain for the Nasdaq composite.

Still, all the spending on deals and new businesses caused Cisco's profit to fall 24% during its 2009 fiscal year, which ended in July, worse than the 9% decline in revenue. The steep profit drop stood out from other large tech firms like **International Business Machines** Corp. and **Hewlett-Packard** Co., which managed to increase profits or stem their losses through cuts.

Some industry watchers say that in its push to expand, Cisco may also have taken its eye off its core business. Cisco lost market share last year in many of its major product categories. For example, its share in switches—gear used to direct network traffic that contribute about 35% of Cisco's revenue—dropped from 71.3% in the fourth quarter of 2008 to 67.7% one year later, according to research company Dell'Oro Group. In routers, another kind of networking gear, its share of equipment sold to telecommunications companies dropped from 43% to 39.1%, according to Infonetics Research.

Still, some technology buyers say they are becoming customers of Cisco's new businesses. Wes Kelley, CEO of **Pulaski Electric Systems** a telecommunications and electricity provider in Pulaski, Tenn., used to think of Cisco as a maker of networking routers. "Now they're in everything," he says.

Cisco started bracing for the latest recession in late 2007 when Mr. Chambers was one of the first CEOs to warn of economic problems. A year later, while posting near-record revenue, Cisco announced a plan to reduce expenses and freeze hiring. In February 2009, Mr. Chambers said Cisco would lay off up to 2,000 employees, or 3% of its work force.

Despite those cuts, Cisco didn't stop investing in its business. Mr. Chambers says he sacrificed some short-term profit for the chance to set up Cisco for the long haul. So while Cisco spent $5.2 billion on research and development in fiscal 2009—which was about $100 million less than in 2008—the figure was still a higher percentage of its revenue. That echoed Cisco's actions in 2002, when its research and development spending fell in absolute terms compared with 2001, but was up relative to revenue.

THE MART

AUCTIONS

RED BARON'S AUCTION
MARCH 13TH & 14TH

"Flying Car" six-winged Roadable Aeroplane designed by Frank E. Skroback, Circa 1935.

1957 Ford Thunderbird convertible in White with both hard and soft tops.

Naturally occurring, GIA certified 4.02 CT Brilliant cut Fancy Pink Diamond with TCW diamond surround in platinum.

"Bonneville" one-of-a-kind boat-car vehicle sculpture.

These are just a few of the over 2500 lots up for auction!

PREVIEW PARTY: MARCH 12TH, 7PM - 10PM FOR REGISTERED BIDDERS ONLY, SO CALL TODAY TO REGISTER!

AUCTION SCHEDULE: MARCH 13TH, 9AM - 9PM MARCH 14TH, 9AM - 9PM

FOR A FREE COLOR CATALOG, CONTACT: RED BARON'S DEPT. WJS 6450 ROSWELL RD., ATLANTA, GA 30328 · 404.252.3770 FAX 404.257.0268 · WWW.RBANTIQUES.COM

GAL #C2052

CAPITAL WANTED

Investors Wanted

Universal Land Investment & Development, LLC

California Bargain Priced Real Estate. Once in a lifetime opportunity to buy below replacement cost properties (finished buildable lot subdivisions and commercial properties) at a small fraction of original prices. Investors, JV partners wanted with $1 million to $50 million. Offered by a highly rated attorney and real estate company w/over 75 yrs. of investment experience.

Contact: Anthony Smernes:
Tel 916-719-3297 Fax-916-928-3050
anthony@smernes.com
Daniel Nickles: 209-988-3399

BUSINESS SERVICES

Need a Plan to Launch, Acquire or Expand a Business?

Since 1974 our institutional business plans have raised billions in equity and debt funding for our clients worldwide!

www.StillmanGeorge.com
info@stillmangeorge.com

CAPITAL WANTED

RAINMAKER NEEDED

STARTUP WANTING TO GO PUBLIC.
Need funds & person to get us there.
We are a law enforcement tech co.
Looking to raise $10 to $12 million now.
Call Rick 214-202-7906

AVIATION

PUBLIC AUCTION
MARCH 18, 10:00 AM
Cleveland Jet Center - KCFG

Gulfstream IV, SN 1150
www.jetcraft.com

Falcon 900B, SN 40
Falcon 50, SN 159
www.ogarajets.com

Astra 1125, SN 36
www.ramjetaviation.com

BUSINESS OPPORTUNITIES

Own an Energy Conservation Business

Energy Automation Systems, Incorporated. Tap into decades of experience and skill to enjoy an exciting and profitable career as an independent EASI affiliate.

For Information call 615-822-7250 or www.energysavingbusiness.com

Earthquake - Disaster Relief Blankets

Made in USA, immediate shipment, special prices, by the container load.
301-759-3633
CustomerCare@Biederlack.com

Steady 5% Return From 1600 Acre Texas Corn and Cotton Farm

Fully developed farming tract in Texas Panhandle. New center pivot sprinkler irrigation. Good access to water supply. Reliable 5% rent return plus capital appreciation. USD $2.5 mill. Financing available.
Call 212.826.5640

REAL ESTATE FOR SALE

CANADA LAND FOR SALE

- 92 acres - entitled and serviced
- Commercial/Industrial uses permitted
- Data center attributes exceptional
- Equidistant to five US-Canada border crossings
- Toyota and CAMI auto plants both minutes away; rail available
- **Toronto** only one hour by two major highways
- **Ontario** is North America's renewable energy leader
- **Canada** rated AAA by *Standard & Poors*

Terry Alexander*
416.620.2843
terry.alexander@colliers.com
* Sales Representative
©2010. All rights reserved. Colliers Macaulay Nicholls (Ontario) Inc. Brokerage.

COLLIERS INTERNATIONAL

MAKE GREAT CONNECTIONS IN ASIA. THE WALL STREET JOURNAL ASIA.

To advertise
Brian Tong
Sales Director
Classified Advertising
The Wall Street Journal Asia
Hong Kong: 852 2831 2552
Fax: 852 2574 2618
Singapore: 65 6415 4279
Fax: 65 6225 5039
brian.tong@dowjones.com

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

Is economic roar from China too loud?

[Ahead of the Tape]

By Carolyn Cui

The Year of the Tiger is off to a roaring economic start. Now economists are gauging whether China's momentum may be too strong for the global good.

One of the most closely watched economic figures to be released this week will be the consumer-price index, expected on Thursday. Carl Weinberg, chief economist of High Frequency Economics, estimates consumer prices rose 2.7% in February from a year earlier, faster than January's 1.5% rise.

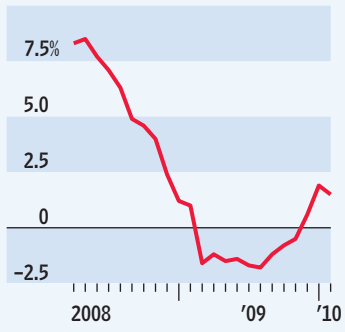
"Overall, you will be looking at a picture of strong retail sales, strong industrial production and strong investment figures," he says. But with that will come "some acceleration in CPI."

Inflation could raise the prospect of an interest-rate increase in China, which could raise borrowing costs as well as export prices for foreign consumers. Still, the impact might be subdued because of still-tepid demand in the West.

Fast-rising debt levels could be more worrisome. In light of the sovereign-debt crisis in Europe and the U.S. government's huge debt, investors want assurance that Asia's debt—public and private—remains under control.

"The extent to which growth has been financed with debt gives you an idea of how sustainable it is," says Robert Horrocks at Matthews Asian Growth and Income Fund. Accelerated lending in China would be seen as a sign of overheating, he says.

Creeping up
China's Consumer Price Index



Source: National Bureau of Statistics of China

Also, China's central bank, the People's Bank of China, is expected to report new loans extended by banks. Lending by the country's four largest state-owned banks, which account for nearly half of all loans, contracted 39% in February from the previous month, according to local media reports. That is largely because of orders from the government to the banks to scale back loans.

Still, economists doubt Beijing is willing to put on brakes that could cost jobs. And that is what concerns investors. Says Nina Wu, portfolio manager of Dreyfus Greater China Fund: "The world doesn't want to see one year of extremely fast growth."

Asian Innovation Awards 2010
presented by:
THE WALL STREET JOURNAL. ASIA
in partnership with:
CREDIT SUISSE
What's your bright idea?
Sometimes recognition is all that's needed to elevate an idea onto the world stage.
From an entirely new invention to the advancement of a classic, the Asian Innovation Awards and the Credit Suisse Technopreneur Award are committed to finding the next big ideas in Asia.
Whether conceptualized in a backyard or a laboratory, we are seeking innovations that break with conventional processes in creative ways to improve quality of life or productivity, as well as those demonstrating the greatest potential for financial success.
Entries welcomed from individuals, small businesses, large corporations and academia in Asia Pacific, from any field including health care, technology, medicine, energy, social sciences, government and others.
To enter or to find out more, visit asia.wsj.com/aia
Deadline for entries: March 26, 2010

MetLife joins elite as its reach goes global

By Leslie Scism

MetLife Inc.'s $15.5 billion pact to acquire a big life-insurance business from **American International Group** Inc. propels the company into an elite club of global insurers, vastly expanding its geographical reach from its U.S. base and highlighting the importance of Asia in growth plans for the industry.

After weeks of delays because of tax issues, AIG and MetLife announced a deal Monday of American Life Insurance Co., or Alico, which is AIG's second-biggest foreign life-insurance unit.

The acquisition will transform MetLife, the No. 1 seller of life insurance in the U.S., from a largely domestic company to a global player on the same stage as European powerhouses such as Allianz SE and AXA SA, and Prudential Financial Inc., a long-time U.S. rival that has a big Japan business.

The bold and potentially risky deal would boost the portion of MetLife's overall operating income that comes from overseas to 40% from 15% currently, estimates Andrew Kligerman, a UBS Securities analyst.

For several decades, most of the insurance-industry acquisition activity was directed from overseas toward the U.S., as European and U.K. companies sought to sell retirement-income annuities and other financial products to aging American baby boomers. MetLife's pending deal signals that some of the best opportunity for growth now is outside the U.S., analysts say.

As AIG seeks to repay government bailout funds, its biggest foreign unit, Asia-focused American International Assurance Ltd., is being sold to U.K.-based Prudential PLC in a $35.5 billion deal. Alico has a big footprint across much of the rest of the globe. The heart of the business is in Japan, with significant operations in Eastern Europe, Chile, Russia and Brazil.

Analysts call the deal "transformational" for MetLife, so much so that Standard & Poor's last month put MetLife's ratings on watch with negative implications, saying the "sheer size of Alico" meant its acquisition "could have a material adverse impact on MetLife's financial metrics." In a similar move, A.M. Best Co. cited "the magnitude" of a deal.

Moody's Investors Service said it would scrutinize deal terms, noting that Alico's credit profile in several countries is more volatile than that of MetLife's U.S. business, and the far-flung nature of its operations would create "significant execution risk and commitment of management time," with positives including greater growth opportunities in many of the countries. In recent comments to investors and analysts, MetLife's chief executive, C. Robert Henrikson, has stressed that MetLife is financially strong and has a deep management team, putting it in a good position for a sizable overseas deal. MetLife, best known for its Snoopy logo in the U.S., has a significant presence in Mexico, Chile, Brazil and South Korea, among other countries.

Dai-ichi Life sets range

Insurer's IPO could value firm up to $17.16 billion; solid demand

By Kazuhiro Shimamura

TOKYO—**Dai-ichi Mutual Life Insurance** Co. set a tentative price range for bookbuilding ahead of its initial public offering April 1, valuing the company at as much as 1.55 trillion yen ($17.16 billion).

The firm price range of 125,000 yen to 155,000 yen per share suggests strong demand for the Japanese insurer's shares amid high hopes for its business outlook, in what is set to be the largest public stock offering since **Visa** Inc.'s $19.7 billion IPO in March 2008.

The company, which will be renamed Dai-ichi Life Insurance Co., will offer as many as 7.2 million shares to the market, including 100,000 additional shares in case of exceptional demand.

Based on the tentative price range, the size of Dai-ichi Life's IPO will be between 888.27 billion yen and 1.117 trillion yen. With a total of 10 million shares outstanding, the market capitalization will be as much as 1.55 trillion yen.

The upper end of the tentative range, which exceeds the initial indicative price of 150,000 yen, suggests institutional investors have high expectations for the insurer's outlook after demutualization.

In hearings with underwriters, those investors cited Dai-ichi Life's strong presence in the domestic market and potential for expansion abroad, the insurer said. But investors also said possible regulatory changes in Japan's matured life-insurance market must be monitored.

The company said the tentative price range was set based on investor reaction, its competitive position in the industry and current stock-market conditions, among other factors.

Reuters

The Dai-ichi Mutual Life offices in Tokyo. An IPO price will be set by March 19.

Dai-ichi will hold its bookbuilding process from March 9 to March 18. The IPO offering price will be announced March 19.

Bookbuilding is a process through which the offer price of an IPO is based on actual demand for shares among institutional investors. Underwriters build a "book" by accepting orders from fund managers, who indicate the number of shares desired and the price they are willing to pay.

Dai-ichi's IPO will be the largest in Japan since **NTT DoCoMo** Inc.'s 2.1 trillion yen offering in 1998.

But its estimated market capitalization of as much as 1.55 trillion yen would still fall short of the two trillion yen value—based on Friday's closing price—of **Tokio Marine Holdings** Inc., the largest listed insurer in Japan.

U.K. REIT plans $227 million IPO

By Anita Likus

LONDON—**Metric Property Investments** PLC is hoping to raise £150 million ($227 million) in an initial public offering on London Stock Exchange's main market as it seeks to take advantage of the sharp downturn in property values.

On admission, Metric will be one of the U.K.'s first new real-estate investment trusts since they were allowed in the U.K. in 2007 and will have some £300 million spending power including debt. Metric has received strong interest for the listing, Chief Executive Andrew Jones said in an interview Monday.

Mr. Jones, who previously ran the £5 billion retail portfolio at U.K.'s second-largest real-estate investment trust, **British Land Co.** PLC, will run the company along with Valentine Beresford and Mark Stirling, who also had roles at British Land. The directors have committed to an initial investment of £6 million.

Mr. Jones said he will benefit from re-pricing and refinancing pressures in the retail property market to create a portfolio of retail assets located across the U.K. He said he is seeing a lot more opportunities for acquisitions currently than at the end of 2009.

He is planning to buy distressed and mismanaged out-of-town retail parks and shopping centers, if opportunities arise, and through asset management enhance the income. Mr. Jones said he will focus on letting any vacant space, improving the retailer line-up, as well as getting value-enhancing extensions to make his assets more attractive.

"Refinancing pressures have turned reluctant vendors into motivated ones," he said, as almost half of the outstanding £280 billion of U.K. real-estate debt is due to mature before the end of 2012, and almost one-third is likely to become delinquent.

Mr. Jones expects opportunities to come from private individuals and private companies, as well as larger property companies and banks.

The company appointed **Oriel Securities** and **J.P. Morgan Chase** & Co.'s J.P. Morgan Cazenove as joint sponsors, financial advisers and book runners. Conditional dealings on the LSE are expected to commence March 19 and unconditional dealings are expected to commence March 24.

Credit Suisse won't take new undeclared funds

By Katharina Bart

ZURICH—**Credit Suisse Group** said it doesn't accept new funds from wealthy clients seeking to circumvent their home tax authority.

"For the existing undeclared money held here, Switzerland will need a political solution. For new money, if we know it's not being declared, we don't accept it," Hans-Ulrich Meister, chief executive of the Zurich-based bank's Swiss operations, said at a riefing Monday.

Mr. Meister was alluding to the Swiss government's efforts to legitimize funds held in Swiss banks by getting clients to declare them to their tax authority, as well as to prevent new, undeclared money from flowing to Switzerland.

Estimates on how much of the money held in offshore Swiss bank accounts is hidden from clients' home tax authorities vary widely; Mr. Meister said Credit Suisse "cannot know" the share.

Swiss banks have traditionally had little incentive to talk taxes with their clients because Switzerland hadn't given foreign tax authorities assistance in pursuing tax evasion.

That changed a year ago when Switzerland agreed to concessions bringing the country in line with standards set out by the Organization for Economic Cooperation and Development, on tax cooperation.

However, pressure on Swiss banking secrecy has increased recently, with German officials agreeing in February to pay an informant for the names of suspected tax evaders holding Swiss accounts.

Mr. Meister said he was optimistic that Credit Suisse would record inflows of net new funds in 2010, despite the pressure on Switzerland to change its stance on banking secrecy. Credit Suisse's Swiss private bank recorded net inflows of 5.6 billion Swiss francs ($5.21 billion) in 2009.

Prudential accelerates IPO plan

Continued from page 19

Mr. Brewster said, adding that these include many companies that had set aside money for a listing AIA had originally planned for Hong Kong but which was canceled in favor of the sale to Prudential.

Trading in Prudential's shares on the Hong Kong market is expected by the end of April or early May, around the same time that a prospectus for the rights offering would be ready, according to a person familiar with the situation.

That would give people investing through Hong Kong about two weeks to trade before the expected mid-May deadline for being allowed to participate in the offering as shareholders of record, he said.

Oriel Securities analyst Marcus Barnard said Prudential is likely addressing expectations that there will be heavy selling of shares by investors who don't want to spend money on the rights issue.

Shore Capital analyst Eamonn Flanagan said it seems to be "so far, so good" for Prudential's planned purchase of AIA. He said Prudential should be "quietly satisfied" with the 14% fall in shares since the announcement of the deal last week because "it could have been so much more."

For the Hong Kong Stock Exchange, the Prudential announcement helps make up for the loss of the AIA initial public offering, which was expected to raise about $15 billion in a high-profile deal highlighting Hong Kong's aspirations as a regional center for fund raising.

The company said it expected to complete the AIA purchase in the third quarter. Separately, Prudential said it has entered into foreign-exchange hedgings as it will have to convert proceeds from the rights issue in British pounds into U.S. dollars, which is the currency it will use to pay for AIA.

—Peter Stein in Hong Kong contributed to this article.

Investment banks across Asia add heft to their distressed-debt teams

Continued from page 19

good profits in other areas and have been able to do some housekeeping," said Chris Gradel, cofounder and chief investment officer of Pacific Alliance, of Hong Kong.

Distressed-debt investment in Asia isn't for the faint of heart. In some jurisdictions, bankruptcy procedures aren't clear, raising questions about the rights of debtholders. One well-known case gone awry is **Asia Aluminum Holdings**. The Chinese aluminum maker tried to refinance its debt by buying back its own offshore bonds at pennies on the dollar, but instead ended up in liquidation.

During the downturn, Asia Aluminum was an exception. The global economic downturn stoked much anticipation about mushrooming levels of distressed debt, with industry insiders forecasting as much as $100 billion in distressed paper becoming available. Yet most of the distressed debt so far has been in the U.S. or Europe, not in Asia.

The reason: Many companies learned their lesson during the Asian financial crisis more than a decade ago and kept their balance sheets strong. The region's debt and stock markets were also among the first to recover, giving firms access to capital early on.

"The second half of 2009 has been somewhat disappointing for distressed investors," said Michel Lowy of SC Lowy, a Hong Kong boutique bank focused on distressed and illiquid assets. "The combination of corporates being in better shape, government action taking the pressure off commercial banks to sell their distressed assets, and buoyant public equity and bond markets, which have saved stressed companies on the verge of defaulting."

World-wide, distressed-debt funds did very well last year as asset prices rose. Distressed-debt hedge funds overall have showed gains for the past 10 months, according to Eurekahedge, rising nearly 36% in 2009. By comparison, the Eurekahedge Asia Distressed Debt Hedge Fund Index rose 3.15% last year.

As banks anticipate more distressed-debt opportunities coming, such as in Chinese nonperforming loans, the investment strategy could yield more opportunities in Asia. That doesn't mean it will be an easy path. Industry insiders say there has been an increasing disconnect between asset prices and the ability of companies to pay down their debt. Spreads have come in as investors' risk appetite increased.

This year and next "will be more challenging [for distressed-debt funds]. In 2009, everybody made money, and it was relatively easy to do so because asset prices across the board were going up. In 2010 and 2011, managers will have to be more selective to deliver comparable returns," Mr. Lowy said.

U.S. Treasury prices weaken ahead of sale

By Deborah Lynn Blumberg

NEW YORK—Treasury prices weakened Monday morning, building on last week's losses, as investors prepared for another hefty offering of Treasury notes and bonds this week.

The government will sell a total of $74 billion in notes and bonds, in addition to billions of dollars in Treasury bills. Market participants expect the sales will go well given the demand for low-risk Treasurys as uncertainties remain about the pace of the economic recovery.

U.S. CREDIT MARKETS

The government, however, may have to pay up again to find a home for the securities. That has been the case at several past auctions as investors, cognizant of the large amount of supply the government needs to sell to fund the widening deficit, demand better returns.

Monday, losses were the most pronounced in longer-maturity Treasurys, where the bulk of supply will lie, as market participants used a day light on data to set up for the auctions. The two-year Treasury note was unchanged to yield 0.9070% in late-morning trade, the 10-year Treasury note fell 10/32 to yield 3.7195%, and the 30-year Treasury was off 19/32 to yield 4.6775%.

The government will sell $40 billion of three-year notes Tuesday. It will also sell $21 billion in existing 10-year notes on Wednesday and $13 billion in 30-year bonds Thursday.

Nomura reshuffles ranks

HONG KONG—**Nomura Holdings** Inc. said it has named Hiromasa Yamazaki as chief executive for its global markets division, effective April 1, succeeding Akira Maruyama, who has been appointed deputy president of Nomura Securities Co.

The Japanese investment bank's global markets division covers equities, fixed income and asset finance.

Nomura also said it has given Naoki Matsuba, currently a head of global equities, the additional title of chief executive for the Americas to drive Nomura's buildout in the U.S.

Former Lehman Brothers Holdings Inc. banker Rachid Bouzouba will be sharing the title of co-head of global equities with Mr. Matsuba, a promotion from his current role as head of equities for Europe, the Middle East and Africa.

Separately, just prior to the Japanese bank's announcement of the staff changes, Nomura's Asia-Pacific head of equities Sigurbjorn Thorkelsson, resigned, a person familiar with the situation said Monday.

Euro, pound post declines on the dollar

By Don Curren

The euro and the U.K. pound weakened on the dollar, as demand for stocks and other riskier assets wilted after the New York Federal Reserve said it would expand the list of counterparties it expects to use to drain cash from the financial system when the time is right.

Still, the euro advanced against the pound, which is vulnerable because of continuing concerns about Britain's fiscal situation, said Steve Butler, director of foreign exchange at Scotia Capital in Toronto. The euro continued to hover above 1.4620 Swiss francs, near levels suspected of prompting past interventions by the Swiss National Bank to weaken the franc.

CURRENCY MARKETS

By midday in New York, the euro had weakened to $1.3612 from $1.3622 late Friday. The common currency weakened to 122.90 yen from 123.04 yen. The dollar was flat at 90.32 yen from 90.33 yen, and at 1.0742 Swiss francs. The pound slumped to $1.5063 from $1.5145.

Demand for risk—whetted by the strong U.S. jobs report Friday, favorable developments in Greece and positive data from Japan—lifted the euro and other risk-sensitive currencies early. "We walked in this morning and the world was a very, very safe place," said Scotia's Mr. Butler.

But investors' enthusiasm for risk was undermined by the Fed news, which unnerved the market by reminding traders the U.S. central bank is moving toward normalizing monetary conditions, he said.

On Sunday, French President Nicholas Sarkozy helped provide the reassurance the market had been seeking, saying major euro-zone members will do what is needed to ensure that Greece isn't isolated.

China stirred speculation of an early yuan appreciation with its latest suggestion that the currency peg could be adjusted. People's Bank of China Governor Zhou Xiaochuan said: "This is a part of our package of policies for dealing with the global financial crisis. Sooner or later, we will exit the policies."

A stronger yuan could the Japanese economy by making Chinese exports less competitive.

FUND SCORECARD

Asia-Pacific with Japan Equity

Funds that invest at least 75% of equities in Pacific Rim countries and at least 15% in Japan. At least 75% of total assets are invested in equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending March 08, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
2	**iShares DJ Asia/Pacific Select Dividend**	iShares Plc	USD	Ireland	**0.07**	136.91	-6.67	NS
2	**Fidelity AW Pacific A**	Fidelity (FIL Fund Management Limited)	USD	Bermuda	**4.42**	113.42	-8.56	5.40
3	**FF - Pacific A USD**	Fidelity (FIL (Luxembourg) S.A.)	USD	Luxembrg	**4.35**	112.73	-8.93	5.44
3	**LINGOHR ASIEN SYSTEMATIC LBB INVEST**	Landesbank Berlin Investment GmbH	EUR	Germany	**1.89**	106.47	-2.42	8.22
2	**bfw asia-pacific quant selection**	bfw fondsleitung ag	USD	Liechtnstn	**0.38**	100.38	-6.61	NS
5	**President Asia Pacific**	Uni-President Asset Management Co., Ltd	TWD	Taiwan	**-2.94**	95.30	-1.57	8.84
NS	**Fidelity RMT-As Pac Eq**	FIL Investment Management(HK)Ltd	HKD	Hong Kong	**-3.09**	93.15	4.22	NS
5	**BPER Intl SICAV Equity Asia Pacific**	BPER International Sicav	USD	Luxembrg	**-0.06**	92.37	-3.17	6.06
4	**VB Pacific Invest A**	Volksbank Invest KAG	EUR	Austria	**1.53**	91.50	-1.13	9.36
NS	**Aberdeen All Asia Inv Trust**	Aberdeen Asset Management Funds Ltd (UK)	GBP	United Kingdom	**-1.14**	91.09	NS	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	03/05	EUR	52.13	-7.3	53.9	-22.7
ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	03/05	USD	10.61	2.3	67.9	-8.8
Am Eq Blend B	US	EQ	LUX	03/05	USD	9.95	2.1	66.4	-9.7
Am Growth A	US	EQ	LUX	03/05	USD	31.35	0.4	61.0	0.5
Am Growth AX	US	EQ	LUX	03/05	USD	33.87	0.4	61.9	1.1
Am Growth B	US	EQ	LUX	03/05	USD	26.31	0.2	59.4	-0.5
Am Growth C	US	EQ	LUX	03/05	USD	28.34	0.3	60.2	0.1
Am Growth I	US	EQ	LUX	03/05	USD	34.79	0.5	62.3	1.3
Am Income A	US	BD	LUX	03/05	USD	8.52	2.0	31.2	7.1
Am Income A2	US	BD	LUX	03/05	USD	19.46	2.2	31.3	7.1
Am Income A2	OT	OT	NA	03/05	HKD	151.07	2.2	31.3	7.1
Am Income AT	OT	OT	NA	03/05	HKD	66.06	2.2	31.3	7.1
Am Income AT	US	BD	LUX	03/05	USD	8.51	2.2	31.3	7.1
Am Income B	US	BD	LUX	03/05	USD	8.52	1.9	30.2	6.2
Am Income B2	US	BD	LUX	03/05	USD	16.75	2.1	30.4	6.3
Am Income B2	OT	OT	NA	03/05	HKD	130.03	2.1	30.4	6.3
Am Income BT	OT	OT	NA	03/05	HKD	66.45	2.0	30.5	6.4
Am Income BT	US	BD	LUX	03/05	USD	8.56	2.0	30.5	6.4
Am Income C	US	BD	LUX	03/05	USD	8.52	2.0	30.6	6.5
Am Income C2	US	BD	LUX	03/05	USD	24.92	2.1	30.7	6.6
Am Income I	US	BD	LUX	03/05	USD	8.52	2.1	32.0	7.7
Am Value A	US	EQ	LUX	03/05	USD	8.76	2.7	57.0	-8.3
Am Value B	US	EQ	LUX	03/05	USD	8.04	2.4	55.5	-9.2
Am Value C	US	EQ	LUX	03/05	USD	8.75	2.6	56.3	-8.7
Am Value I	US	EQ	LUX	03/05	USD	9.44	2.8	58.4	-7.5
Emg Mkts Debt A	GL	BD	LUX	03/05	USD	15.82	2.8	50.5	9.1
Emg Mkts Debt A2	GL	BD	LUX	03/05	USD	20.69	2.9	50.7	9.2
Emg Mkts Debt AT	GL	BD	LUX	03/05	USD	15.88	2.9	50.8	9.2
Emg Mkts Debt B	GL	BD	LUX	03/05	USD	15.82	2.6	49.1	8.1
Emg Mkts Debt B2	GL	BD	LUX	03/05	USD	19.89	2.7	49.2	8.1
Emg Mkts Debt BT	GL	BD	LUX	03/05	USD	15.86	2.7	49.2	8.1
Emg Mkts Debt C	GL	BD	LUX	03/05	USD	15.82	2.7	49.8	8.7
Emg Mkts Debt C2	GL	BD	LUX	03/05	USD	20.31	2.8	50.0	8.7
Emg Mkts Debt I	GL	BD	LUX	03/05	USD	15.82	2.9	51.2	9.7
Emg Mkts Growth A	GL	EQ	LUX	03/05	USD	34.12	-1.5	96.4	-11.1
Emg Mkts Growth B	GL	EQ	LUX	03/05	USD	28.86	-1.7	94.5	-12.0
Emg Mkts Growth C	GL	EQ	LUX	03/05	USD	29.55	-1.6	95.6	-11.5
Emg Mkts Growth I	GL	EQ	LUX	03/05	USD	37.87	-1.4	98.1	-10.4
Eur Growth A	OT	OT	LUX	03/05	USD	9.78	2.1	48.3	-11.4
Eur Growth A	OT	OT	LUX	03/05	EUR	7.18	2.1	48.3	-11.4
Eur Growth B	OT	OT	LUX	03/05	EUR	6.44	1.9	46.7	-12.3
Eur Growth B	OT	OT	LUX	03/05	USD	8.77	1.9	46.7	-12.3
Eur Growth C	EU	EQ	LUX	03/05	EUR	5.43	1.9	47.6	-11.8
Eur Growth I	OT	OT	LUX	03/05	USD	10.68	2.2	49.6	-10.6
Eur Growth I	OT	OT	LUX	03/05	EUR	7.84	2.2	49.6	-10.6
Eur Income A	OT	OT	LUX	03/05	EUR	6.75	3.3	52.9	7.3
Eur Income A	OT	OT	LUX	03/05	USD	9.19	3.3	52.9	7.3
Eur Income A2	OT	OT	LUX	03/05	EUR	13.31	3.4	53.2	7.4
Eur Income A2	OT	OT	LUX	03/05	USD	18.13	3.4	53.2	7.4
Eur Income AT	EU	BD	LUX	03/05	EUR	6.74	3.4	53.0	7.3
Eur Income B	OT	OT	LUX	03/05	EUR	6.75	3.1	52.0	6.6
Eur Income B	OT	OT	LUX	03/05	USD	9.19	3.1	52.0	6.6
Eur Income B2	OT	OT	LUX	03/05	EUR	12.36	3.3	51.8	6.6
Eur Income B2	OT	OT	LUX	03/05	USD	16.83	3.3	51.8	6.6
Eur Income BT	EU	BD	LUX	03/05	EUR	6.74	3.1	51.8	6.6
Eur Income C	OT	OT	LUX	03/05	EUR	6.75	3.2	52.3	6.8
Eur Income C	OT	OT	LUX	03/05	USD	9.19	3.2	52.3	6.8
Eur Income C2	OT	OT	LUX	03/05	EUR	13.25	3.3	52.3	6.9
Eur Income C2	OT	OT	LUX	03/05	USD	18.05	3.3	52.3	6.9
Eur Income I	OT	OT	LUX	03/05	EUR	6.75	3.4	53.6	8.0
Eur Income I	OT	OT	LUX	03/05	USD	9.19	3.4	53.6	8.0
Eur Strat Value A	OT	OT	LUX	03/05	EUR	8.64	1.3	60.9	-15.3
Eur Strat Value A	OT	OT	LUX	03/05	USD	11.77	1.3	60.9	-15.3
Eur Strat Value I	OT	OT	LUX	03/05	EUR	8.86	1.4	62.3	-14.5
Eur Strat Value I	OT	OT	LUX	03/05	USD	12.07	1.4	62.3	-14.5
Eur Value A	OT	OT	LUX	03/05	EUR	9.27	0.8	64.7	-11.7
Eur Value A	OT	OT	LUX	03/05	USD	12.63	0.8	64.7	-11.7
Eur Value B	OT	OT	LUX	03/05	USD	11.59	0.6	62.7	-12.6
Eur Value B	OT	OT	LUX	03/05	EUR	8.51	0.6	62.7	-12.6
Eur Value C	OT	OT	LUX	03/05	USD	12.20	0.8	63.8	-12.1
Eur Value C	OT	OT	LUX	03/05	EUR	8.96	0.8	63.8	-12.1
Eur Value I	OT	OT	LUX	03/05	USD	14.61	1.0	66.1	-10.9
Eur Value I	OT	OT	LUX	03/05	EUR	10.73	1.0	66.1	-10.9
Gl Balanced (Euro) A	OT	OT	LUX	03/05	USD	15.95	2.1	41.6	-6.9
Gl Balanced (Euro) B	OT	OT	LUX	03/05	USD	15.51	2.0	40.1	-7.8
Gl Balanced (Euro) C	OT	OT	LUX	03/05	USD	15.83	2.1	41.2	-7.2
Gl Balanced (Euro) I	OT	OT	LUX	03/05	USD	16.26	2.2	NS	NS
Gl Balanced A	US	BA	LUX	03/05	USD	16.54	0.4	46.6	-7.7
Gl Balanced B	US	BA	LUX	03/05	USD	15.70	0.2	45.2	-8.7
Gl Balanced C	OT	OT	LUX	03/05	USD	16.28	0.2	46.1	-8.0
Gl Balanced C	OT	OT	LUX	03/05	EUR	11.95	0.2	46.1	-8.0
Gl Balanced I	US	BA	LUX	03/05	USD	17.17	0.5	47.6	-7.1
Gl Bond A	US	BD	LUX	03/05	USD	9.37	2.1	17.8	5.2
Gl Bond A2	US	BD	LUX	03/05	USD	16.35	2.1	17.9	5.1
Gl Bond A2	OT	OT	NA	03/05	HKD	126.93	2.1	17.9	5.1
Gl Bond AT	OT	OT	LUX	03/05	HKD	72.66	2.2	17.9	5.2
Gl Bond AT	US	BD	LUX	03/05	USD	9.36	2.2	17.9	5.2
Gl Bond B	US	BD	LUX	03/05	USD	9.37	1.9	16.7	4.1
Gl Bond B2	US	BD	LUX	03/05	USD	14.29	1.9	16.7	4.1
Gl Bond B2	OT	OT	NA	03/05	HKD	110.93	1.9	16.7	4.1
Gl Bond BT	OT	OT	LUX	03/05	HKD	72.89	1.9	16.7	4.1
Gl Bond BT	US	BD	LUX	03/05	USD	9.39	1.9	16.7	4.1
Gl Bond C	US	BD	LUX	03/05	USD	9.37	2.0	17.3	4.7
Gl Bond C2	US	BD	LUX	03/05	USD	14.18	2.1	17.4	4.7
Gl Bond I	US	BD	LUX	03/05	USD	9.37	2.2	18.5	5.7
Gl Conservative A	US	BA	LUX	03/05	USD	14.92	0.8	27.3	-2.3
Gl Conservative A2	US	BA	LUX	03/05	USD	17.07	0.8	27.3	-2.3
Gl Conservative B	US	BA	LUX	03/05	USD	14.93	0.7	26.1	-3.3
Gl Conservative B2	US	BA	LUX	03/05	USD	16.19	0.6	26.0	-3.3
Gl Conservative C	US	BA	LUX	03/05	USD	14.92	0.8	26.7	-2.8
Gl Conservative C2	US	BA	LUX	03/05	USD	16.69	0.8	26.7	-2.8
Gl Conservative I	US	BA	LUX	03/05	USD	14.99	1.0	28.4	-1.5
Gl Eq Blend A	GL	EQ	LUX	03/05	USD	11.56	-0.9	68.5	-17.0
Gl Eq Blend B	GL	EQ	LUX	03/05	USD	10.83	-1.1	66.9	-17.9
Gl Eq Blend C	GL	EQ	LUX	03/05	USD	11.34	-1.0	67.8	-17.4
Gl Eq Blend I	GL	EQ	LUX	03/05	USD	12.21	-0.7	70.1	-16.4
Gl Growth A	GL	EQ	LUX	03/05	USD	41.75	-0.4	60.3	-17.5
Gl Growth B	GL	EQ	LUX	03/05	USD	34.79	-0.5	58.7	-18.4
Gl Growth C	GL	EQ	LUX	03/05	USD	40.03	-0.4	59.5	-17.9
Gl Growth I	GL	EQ	LUX	03/05	USD	46.43	-0.2	61.6	-16.9
Gl High Yield A	US	BD	LUX	03/05	USD	4.41	3.2	68.8	7.5
Gl High Yield A2	US	BD	LUX	03/05	USD	9.57	3.3	69.1	7.4
Gl High Yield A2	OT	OT	NA	03/05	HKD	74.29	3.3	69.1	7.4
Gl High Yield AT	OT	OT	NA	03/05	HKD	33.92	3.5	69.0	7.4
Gl High Yield AT	US	BD	LUX	03/05	USD	4.37	3.5	69.0	7.4
Gl High Yield B	US	BD	LUX	03/05	USD	4.41	3.0	66.8	6.1
Gl High Yield B2	US	BD	LUX	03/05	USD	15.35	3.2	67.2	6.3
Gl High Yield B2	OT	OT	NA	03/05	HKD	119.16	3.2	67.2	6.3
Gl High Yield BT	OT	OT	NA	03/05	HKD	34.47	3.0	67.3	6.2
Gl High Yield BT	US	BD	LUX	03/05	USD	4.44	3.0	67.3	6.2
Gl High Yield C	US	BD	LUX	03/05	USD	4.41	3.1	68.0	6.9
Gl High Yield C2	US	BD	LUX	03/05	USD	14.17	3.3	68.1	6.9
Gl High Yield I	US	BD	LUX	03/05	USD	4.41	3.3	69.9	8.2
Gl Thematic Res. A	OT	OT	LUX	03/05	USD	14.82	0.6	87.1	0.2
Gl Thematic Res. B	OT	OT	LUX	03/05	USD	12.94	0.4	85.1	-0.8
Gl Thematic Res. I	OT	OT	LUX	03/05	USD	16.54	0.7	88.6	0.9
Gl Value A	GL	EQ	LUX	03/05	USD	10.99	-1.3	77.8	-16.5
Gl Value B	GL	EQ	LUX	03/05	USD	10.07	-1.7	75.7	-17.4
Gl Value C	GL	EQ	LUX	03/05	USD	10.67	-1.5	76.9	-16.9
Gl Value I	GL	EQ	LUX	03/05	USD	11.70	-1.3	79.2	-15.9
Greater China A	AS	EQ	LUX	03/05	USD	38.67	-3.4	69.4	-9.6
Greater China B	AS	EQ	LUX	03/05	USD	34.16	-3.6	67.7	-10.5
Greater China C	AS	EQ	LUX	03/05	USD	38.15	-3.5	68.7	-10.0
India Growth A	OT	OT	LUX	03/05	USD	128.54	1.3	NS	NS
India Growth AX	OT	OT	LUX	03/05	USD	112.42	1.3	112.8	-3.3
India Growth B	OT	OT	LUX	03/05	USD	134.42	1.1	NS	NS
India Growth BX	OT	OT	LUX	03/05	USD	95.92	1.1	110.6	-4.3
India Growth I	EA	EQ	LUX	03/05	USD	116.61	1.4	113.7	-2.9
Int'l Health Care A	OT	EQ	LUX	03/05	USD	143.07	4.1	45.2	-3.6
Int'l Health Care B	OT	EQ	LUX	03/05	USD	120.46	3.9	43.7	-4.6
Int'l Health Care C	OT	EQ	LUX	03/05	USD	137.00	4.0	44.5	-4.0
Int'l Health Care I	OT	EQ	LUX	03/05	USD	156.54	4.2	46.4	-2.8
Int'l Technology A	OT	EQ	LUX	03/05	USD	109.03	-1.2	71.3	-3.8
Int'l Technology B	OT	EQ	LUX	03/05	USD	94.31	-1.4	69.6	-4.7
Int'l Technology C	OT	EQ	LUX	03/05	USD	105.28	-1.3	70.5	-4.2
Int'l Technology I	OT	EQ	LUX	03/05	USD	122.43	-1.1	72.7	-3.0
Japan Eq Blend A	JP	EQ	LUX	03/05	JPY	5955.00	-1.1	37.1	-17.0
Japan Eq Blend B	JP	EQ	LUX	03/05	JPY	5736.00	-1.3	35.8	-17.8
Japan Eq Blend C	JP	EQ	LUX	03/05	JPY	5855.00	-1.2	36.5	-17.4
Japan Growth A	JP	EQ	LUX	03/05	JPY	5663.00	-3.6	25.0	-18.4
Japan Growth B	JP	EQ	LUX	03/05	JPY	5455.00	-3.8	23.8	-19.2
Japan Growth C	JP	EQ	LUX	03/05	JPY	5568.00	-3.7	24.5	-18.8
Japan Strat Value A	JP	EQ	LUX	03/05	JPY	6209.00	1.5	49.4	-15.9
Japan Strat Value B	JP	EQ	LUX	03/05	JPY	5987.00	1.3	47.9	-16.7
Japan Strat Value C	JP	EQ	LUX	03/05	JPY	6100.00	1.4	48.7	-16.3
Real Estate Sec. A	OT	EQ	LUX	03/05	USD	14.41	0.4	99.6	-11.3
Real Estate Sec. B	OT	EQ	LUX	03/05	USD	13.15	0.2	97.4	-12.2
Real Estate Sec. I	OT	EQ	LUX	03/05	USD	15.50	0.5	101.0	-10.6
Short Mat Dollar A	US	BD	LUX	03/05	USD	7.28	0.7	15.5	-3.0
Short Mat Dollar A2	US	BD	LUX	03/05	USD	9.87	0.8	15.4	-3.0
Short Mat Dollar AT	US	BD	LUX	03/05	USD	7.27	0.9	15.6	-3.0
Short Mat Dollar B	US	BD	LUX	03/05	USD	7.28	0.7	15.0	-3.5
Short Mat Dollar B2	US	BD	LUX	03/05	USD	9.81	0.7	14.9	-3.5
Short Mat Dollar BT	OT	OT	LUX	03/05	USD	7.28	0.7	NS	-3.8
Short Mat Dollar C	US	BD	LUX	03/05	USD	7.28	0.7	15.0	-3.5
Short Mat Dollar C2	US	BD	LUX	03/05	USD	13.87	0.7	14.9	-3.5
Short Mat Dollar I	US	BD	LUX	03/05	USD	7.28	0.8	16.1	-2.5

Advertisement

[ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	01/29	USD	1778.08	5.1	80.4	NS
CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	03/04	USD	106.17	6.2	29.0	22.8
PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	12/31	USD	97.22	15.7	15.7	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	12/31	USD	116.00	12.9	12.9	-29.1
Platinm-Emancipation	OT	OT	USA	12/31	USD	93.12	24.4	24.4	-8.6
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	12/31	USD	62.80	37.2	37.2	-26.9
Platinm-Nordic	OT	OT	CYM	12/31	SEK	617.36	13.2	13.2	-16.2
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	12/31	USD	60.07	NS	NS	-29.4
SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	03/02	USD	36.86	-9.6	-57.1	-21.6
Superfund GCT USD*	GL	EQ	LUX	03/02	USD	2015.00	-8.2	-45.9	-16.0
Superfund Green Gold A (SPC)	OT	OT	CYM	03/02	USD	945.02	-2.0	-24.1	-9.3
Superfund Green Gold B (SPC)	OT	OT	CYM	03/02	USD	887.44	-5.2	-39.0	-16.7
Superfund Q-AG*	OT	OT	AUT	03/02	EUR	6312.00	-4.7	-29.0	-6.5
WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	02/26	EUR	948.03	0.3	-6.0	NS
Winton Evolution GBP Cls G	OT	OT	CYM	02/26	GBP	955.79	0.7	-5.2	NS
Winton Evolution USD Cls F	OT	OT	CYM	02/26	USD	1203.51	0.4	-5.9	-0.4
Winton Futures EUR Cls C	OT	OT	VGB	02/26	EUR	196.05	-0.4	-5.7	1.6
Winton Futures GBP Cls D	OT	OT	VGB	02/26	GBP	212.23	-0.3	-5.2	2.4
Winton Futures JPY Cls E	OT	OT	VGB	02/26	JPY	13978.70	0.7	-5.5	-0.1
Winton Futures USD Cls B	OT	OT	VGB	02/26	USD	696.84	-0.4	-5.7	1.3
ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	03/08	EUR	51.31	-1.0	72.8	-3.1
Industria AE	EU	EQ	DEU	03/08	EUR	72.02	1.8	54.7	-9.9
InternRent AE	EU	BD	DEU	03/08	EUR	37.42	6.2	4.9	10.9
CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	02/26	USD	291543.70	6.2	132.5	11.4

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

INTERNATIONAL INVESTOR

Obama speech weighs on U.S. health shares

By Donna Kardos Yesalavich And Kristina Peterson

NEW YORK—U.S. stocks edged lower Monday, weighed down by the health-care sector as President Barack Obama targeted health insurers in a speech.

The Dow Jones Industrial Average was down 10.43 points at 10555.77 in midday trading. The measure's health-care components were among its worst performers, with **Pfizer** down 1% and **Merck** off 0.7%, as Mr. Obama, in his latest pitch for health-care legislation, was taking insurance companies to task over premium increases.

ABREAST OF THE MARKET

McDonald's kept the decline in check, jumping 2.2% after the fast-food chain reported its global same-store sales rose 4.8% in February, more than analysts were expecting.

Cisco Systems was also strong, up 1.7%, ahead of a technology announcement it set for Tuesday. Telecommunications companies **Verizon Communications** and **AT&T** also climbed, up 1% and 0.9%, respectively, as Cisco's announcement is expected to show how it can help telecommunications companies boost their Internet speeds to meet the growing demand by users.

The Nasdaq Composite eked out a gain of 0.1%, boosted by Cisco, while the Standard & Poor's 500-stock index edged down 0.1%. The S&P 500's telecommunications sector was its best-performing category, while the health-care sector was among the laggards, in addition to industrials and energy. The energy sector's decline came as oil prices slipped back below $82 a barrel, although they were still above their Friday settlement at $81.50 a barrel.

"The pressures weighing on the market today, in the absence of any significant economic news, are what's coming out of Washington," said Elizabeth Miller, president of Summit Place Financial Advisors. She noted that the health-care sector continues to be plagued by uncertainty over what will come of the ongoing legislative debate.

European stocks

European shares closed nearly flat as concerns about Greece receded. The cost to insure against a Greek debt default continued to drop and is now well off levels reached just a few weeks ago.

The pan-European Stoxx 600 index closed down 0.1% at 256.87, while the U.K.'s FTSE 100 index rose 0.1% to 5606.72. France's CAC-40 index was off 0.2% at 3903.54. Germany's DAX was nearly flat, off 1.45 points at 5875.91.

Drugmakers were under notable pressure in Europe as product-pipeline worries came back to the fore, with **AstraZeneca** shares falling 1.4%. The firm said that a trial of its Recentin medicine showed the drug wasn't better than a rival treatment in treating colorectal cancer when used with chemotherapy.

Japan yields rise as appeal of haven ebbs

By Megumi Fujikawa

TOKYO—Japanese government-bond yields edged higher Monday as investors preferred to pick up riskier assets due to buoyant Tokyo shares, but the move was limited by hopes for further monetary easing by the Bank of Japan.

Speculation has grown that the central bank may further ease monetary conditions. Local media reported Friday that the bank would likely discuss that issue this month and make a decision by late April.

BOND MARKET

"The JGB yield curve is likely to be directed toward steepening" in the near term, said Makoto Yamashita, a strategist at Deutsche Securities. "Superlong yields are unlikely to decline until the market goes through [Tuesday's] 30-year tender and next week's 20-year auction, and players won't sell short- and medium-term bonds before they see the outcome of a BOJ policy board meeting" on March 16-17, he added.

The yield on benchmark 10-year cash bonds was up 0.01 percentage point at 1.315%.

Some analysts are concerned about investor demand at the Ministry of Finance's sale of 600 billion yen ($6.64 billion) of 30-year government bonds Tuesday, as the zone's supply-and-demand conditions have loosened. The ministry is selling 30-year notes for three straight months for the first time.

Resource stocks lead Asia rise; Tokyo up 2.1%

By Shri Navaratnam And V. Phani Kumar

Asian markets rallied Monday as resource stocks paced a broad advance on the back of higher commodity prices, while Australia's **Arrow Energy** surged after receiving a takeover bid.

"The bulls are back in business," said DMG technical analyst James Lim in Singapore. "The consolidation period is now over and the trend has turned positive."

Among the day's big gainers was Japan's Nikkei Stock Average of 225 companies, which rose 2.1% to 10585.92 as sentiment improved on better-than-expected U.S. jobs data and the yen's recent weakness.

ASIAN-PACIFIC STOCKS

Shinichiro Matsushita, market analyst at Daiwa Securities, said expectations the Bank of Japan will further ease monetary policy also continued to support the market.

In Tokyo, **Sony** climbed 2.8% and **Sharp** jumped 3.8%, while **Toyota Motor** rose 3.5% and **Nissan Motor** climbed 4.7%.

Panasonic rose 2.8%, helped by the weaker yen and on news it will partner with American electronics retailer Best Buy to market its three-dimensional image television sets in the U.S.

Among commodity shares, **Pacific Metals** added 2.7% and **Inpex** gained 1.1%.

In Sydney, shares of Arrow Energy soared 47% after **Royal Dutch Shell** and **PetroChina** offered to pay around A$3.26 billion (US$2.96 billion), or A$4.45 a share, for the company. That represents a 28% premium over Arrow's closing price of A$3.48 on Friday. The takeover bid also spurred buying in other coal-seam stocks, such as **Oil Search**, which jumped 6.3%. PetroChina shares gained 2.8% in Hong Kong.

The session marked the seventh consecutive day of gains for the Australian market. The S&P/ASX 200 was up 0.9% at 4807.86.

BHP Billiton rose 2.4% and **Rio Tinto** added 2.6%. BHP was helped by news that Japan's major steelmakers have agreed to a 55% price increase for supplies during the April-June quarter.

Elsewhere, South Korea's Kospi gained 1.6% to 1660.04, and Hong Kong's Hang Seng Index advanced 2% to 21196.87.

In Hong Kong, **Yanzhou Coal Mining** added 3.4% and **Aluminum Corp. of China** gained 4.2%.

"Mining firms are up on higher oil prices, and their earnings prospects look good," said Zhang Gang from Central China Securities.

Chinese banking and property stocks also advanced in Hong Kong on hopes Beijing will retain its moderately loose policy stance. **Bank of Communications** gained 2.5% and **China Citic Bank** added 2.3%, while **Beijing North Star** rose 2.5%.

—Wei-Zhe Tan contributed to this article.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

GAM

■ GAM FUND MANAGEMENT LIMITED
George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Tel +353 1 609 3927 Fax +353 1 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	02/26	USD	1295.10	4.2	28.1	-5.8
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	03/01	JPY	14055.34	-9.5	65.5	0.3
GAM Asia Equity Hedge US	OT	OT	VGB	03/01	USD	262.69	-9.5	66.3	1.5
GAM Asia Equity USD	OT	OT	VGB	03/05	USD	626.85	-4.1	81.0	-8.9
GAM Asia-Pacific Eq USD	OT	OT	VGB	03/02	USD	1288.55	0.4	46.4	-12.9
GAM Com Glb Bal EUR Op	US	BA	VGB	02/26	EUR	96.23	-0.6	22.8	-7.5
GAM Com Glb Bal USD Op	US	BA	VGB	02/26	USD	127.05	-0.6	22.8	-7.5
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	02/26	EUR	98.45	-2.0	36.5	-13.2
GAM Comp Glb Eq USD Op	GL	EQ	VGB	02/26	USD	124.92	-2.0	36.5	-13.2
GAM Comp Glb Gr EUR Op	US	BA	VGB	02/26	EUR	87.09	-1.7	25.7	-11.2
GAM Comp Glb Gr USD Op	US	BA	VGB	02/26	USD	124.96	-1.7	25.7	-11.2
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	02/26	USD	245.05	-1.4	50.8	-7.8
GAM Cross Trading Inc	OT	OT	VGB	02/26	USD	460.25	-1.2	3.0	1.5
GAM Diversity CHF Op	OT	OT	VGB	02/26	CHF	93.96	-0.4	3.2	-6.2
GAM Diversity EUR Op	OT	OT	VGB	02/26	EUR	646.71	-0.3	3.8	-4.7
GAM Diversity USD 2.5XL	OT	OT	VGB	02/26	USD	77.49	-1.0	6.9	-17.8
GAM Diversity USD Op	OT	OT	VGB	02/26	USD	679.15	-0.3	3.9	-5.3
GAM Dvrsty II CHF Op	OT	OT	VGB	02/26	CHF	99.14	-0.4	2.6	-5.8
GAM Dvrsty II EUR Op	OT	OT	VGB	02/26	EUR	138.37	-0.3	2.9	-4.8
GAM Dvrsty II USD Op	OT	OT	VGB	02/26	USD	209.57	-0.3	3.2	-5.1
GAM DvrstyIII EUR Op	OT	OT	VGB	02/26	EUR	115.18	-0.3	2.9	-5.0
GAM DvrstyIII USD Op	OT	OT	VGB	02/26	USD	121.64	-0.3	3.1	-5.1
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	03/01	EUR	219.63	0.4	14.9	-1.8
GAM Euro Eq Hdg USD Op	OT	OT	VGB	03/01	USD	203.83	0.2	16.0	-0.9
GAM European Equity USD	OT	OT	VGB	03/04	USD	275.70	-6.0	50.0	-10.9
GAM GAMCO	OT	EQ	VGB	03/02	USD	834.20	2.9	67.3	-7.4
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	03/01	EUR	96.97	-0.9	12.5	-16.1
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	03/01	USD	102.42	-0.7	13.3	-15.3
GAM Gbl Divers USD Inc.	GL	EQ	VGB	03/01	USD	249.66	-0.1	44.7	-5.5
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	03/01	USD	260.39	-9.2	100.9	19.3
GAM Intrst Trend II	GL	BD	VGB	02/26	USD	105.18	11.7	78.5	-1.9
GAM Intrst Trend Inc	OT	OT	VGB	02/26	USD	280.08	11.4	96.6	-0.5
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	03/01	EUR	123.08	5.5	23.2	-0.9
GAM Japan Eq Hdg USD Op	OT	OT	VGB	03/01	USD	125.87	3.1	22.3	-14.6
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	03/01	JPY	8666.73	3.1	23.2	-13.6
GAM Japan USD	JP	EQ	VGB	03/05	USD	1142.46	3.6	39.4	-10.8
GAM Japan YEN	JP	EQ	VGB	03/05	JPY	9029.78	2.3	34.2	-15.3
GAM Money Mkt EuroOp	EU	MM	VGB	03/04	EUR	51.17	0.7	0.8	1.7
GAM Money Mkt USD	US	MM	VGB	03/04	USD	100.04	0.2	0.0	0.6
GAM Multi-Arb EUR Op	OT	OT	VGB	02/26	EUR	112.52	1.2	1.4	-8.1
GAM Multi-Arb USD Op	OT	OT	VGB	02/26	USD	117.40	1.2	1.6	-8.4
GAM Multi-China EUR Op	OT	OT	VGB	02/26	EUR	160.32	-4.6	NS	-6.5
GAM Multi-China USD Op	OT	OT	VGB	02/26	USD	168.97	-4.3	8.1	-7.1
GAM Multi-Emer Mkts GBP	OT	OT	VGB	02/26	GBP	128.51	-2.3	23.0	-2.1
GAM Multi-Emer Mkts USD	OT	OT	VGB	02/26	USD	636.36	-2.2	23.2	-2.5
GAM Multi-Eur EUR Op	OT	OT	VGB	02/26	EUR	264.14	-1.7	3.5	-6.4
GAM Multi-Eur II EUR Op	OT	OT	VGB	02/26	EUR	135.91	-1.7	3.4	-6.5
GAM Multi-Eur II USD Op	OT	OT	VGB	02/26	USD	111.17	-1.7	3.4	-7.5
GAM Multi-Eur USD Op	OT	OT	VGB	02/26	USD	459.73	-1.7	3.3	-7.4
GAM Multi-Nth Am EUR Special	OT	OT	VGB	02/26	EUR	133.40	-0.4	8.8	-1.9
GAM Multi-Nth Am USD Special	OT	OT	VGB	02/26	USD	217.04	-0.5	9.0	-2.1
GAM Multi-Pac EUR Op	GL	EQ	VGB	02/26	EUR	139.32	-2.8	0.9	-3.7
GAM Multi-Pac USD Op	OT	OT	VGB	02/26	USD	160.94	-2.7	1.6	-4.0
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	02/26	USD	2697.91	2.3	68.6	13.1
GAM Sing/Malaysia	AS	EQ	VGB	03/05	USD	2460.27	-2.6	72.1	-4.9
GAM Sterling Spe Bd Inc	OT	OT	VGB	03/01	GBP	238.99	3.9	52.8	6.6
GAM Trading EUR Inc	OT	OT	VGB	02/26	EUR	321.07	-1.3	2.6	3.3
GAM Trading USD Inc	OT	OT	VGB	02/26	USD	961.40	-1.2	3.1	2.7
GAM Trdg II IncEUR Op	OT	OT	VGB	02/26	EUR	137.36	-1.2	2.5	3.3
GAM Trdg II IncUSD Op	OT	OT	VGB	02/26	USD	312.17	-1.2	3.1	2.7
GAM Trdg IV IncEUR Op	OT	OT	VGB	02/26	EUR	144.90	-1.3	2.4	3.0
GAM Trdg IV IncUSD Op	OT	OT	VGB	02/26	USD	152.62	-1.2	2.9	2.5
GAM Trdg V IncEUR Op	OT	OT	VGB	02/26	EUR	122.83	-1.3	2.8	2.9
GAM Trdg V IncUSD Op	OT	OT	VGB	02/26	USD	128.05	-1.2	3.3	2.5
GAM TrdgIII IncEUR Op	OT	OT	VGB	02/26	EUR	154.93	-1.3	2.4	2.9
GAM TrdgIII IncUSD Op	OT	OT	VGB	02/26	USD	160.53	-1.2	2.9	2.6
GAM USDSpecBondInc	US	BD	VGB	03/01	USD	560.55	5.8	104.1	10.3
GAM Worldwide	GL	EQ	VGB	03/04	USD	2140.48	-3.8	51.8	-8.7
GAMut Investments	OT	OT	VGB	03/03	USD	7629.94	0.6	1.1	6.0

■ GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	03/04	CHF	10.84	-1.8	60.6	-8.3
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	03/04	EUR	11.87	-0.4	65.1	-3.9
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	03/04	GBP	1.59	1.6	67.4	4.5
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	03/04	USD	12.66	-5.6	77.5	-8.9
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	03/04	EUR	105.49	4.3	40.9	-5.2
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	03/04	EUR	102.09	4.3	40.9	-5.2
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	03/04	EUR	11.06	0.6	44.5	-2.9
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	03/04	EUR	181.98	-0.6	41.8	-6.0
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	03/04	EUR	166.28	-0.6	41.7	-6.0
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	03/04	USD	15.07	-5.8	52.3	-10.7
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	03/04	USD	13.67	-5.8	52.2	-10.7
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	03/04	USD	5.58	1.8	50.9	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	03/04	EUR	93.10	5.8	35.1	-4.7
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	03/04	EUR	93.10	5.8	35.1	-4.7
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	03/04	JPY	929.87	1.0	33.8	-15.6
GAMStar-JpnEq USD Acc	JP	EQ	IRL	03/04	USD	11.43	2.8	40.3	-11.3
GAMStar-World EqUSD Acc	GL	EQ	IRL	03/04	USD	2155.60	-3.7	52.8	-8.1

LIST YOUR FUNDS

In print & online. Contact:
carson.wong@dowjones.com

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

Manulife WEALTH MANAGEMENT 宏利財富管理

■ MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	03/08	USD	15.45	1.2	61.2	-7.5
American Growth AA	US	EQ	LUX	03/08	USD	0.89	1.1	60.8	-5.7
Asian Equity	AS	EQ	LUX	03/08	USD	2.41	-1.7	87.0	-5.4
Asian Equity AA	AS	EQ	LUX	03/08	USD	0.78	-1.7	86.3	-5.7
Asian Sm Cap Equity AA	AS	EQ	LUX	03/08	USD	1.19	2.6	125.0	2.1
China Value A	AS	EQ	LUX	03/08	USD	6.84	-3.8	72.1	-1.2
China Value AA	AS	EQ	LUX	03/08	USD	2.15	-3.9	71.7	-1.5
Dragon Growth	AS	EQ	LUX	03/08	USD	1.60	-2.6	79.7	-2.6
Dragon Growth AA	OT	OT	LUX	03/08	HKD	7.79	-2.5	79.4	-3.5
Emg Eastrn Europe A	EU	EQ	LUX	03/08	USD	4.72	2.4	143.6	-11.7
Emg Eastrn Europe AA	EU	EQ	LUX	03/08	USD	2.03	2.3	143.2	-11.8
European Growth	EU	EQ	LUX	03/08	USD	8.82	-3.7	82.3	-15.1
European Growth AA	EU	EQ	LUX	03/08	USD	0.63	-3.8	81.9	-15.3
Global Contrarain AA	GL	EQ	LUX	03/08	USD	0.93	5.3	137.6	NS
Global Property AA	OT	EQ	LUX	03/08	USD	0.69	1.6	107.1	-9.0
Global Resources AA	OT	EQ	LUX	03/08	USD	1.09	0.5	66.6	-15.6
Healthcare AA	OT	EQ	LUX	03/08	USD	0.99	5.0	47.0	NS
India Equity AA	EA	EQ	LUX	03/08	USD	1.09	-0.8	110.8	-4.9
International Growth	GL	EQ	LUX	03/08	USD	3.06	0.2	54.8	-11.6
International Growth AA	GL	EQ	LUX	03/08	USD	0.71	0.2	54.4	-11.8
Japanese Growth	JP	EQ	LUX	03/08	USD	2.83	2.7	43.9	-9.0
Japanese Growth AA	JP	EQ	LUX	03/08	USD	0.74	3.4	44.5	-8.9
Latin America Equity AA	GL	EQ	LUX	03/08	USD	1.27	-1.1	126.7	-4.9
Manulife GF Strategic Income Fund AA	OT	OT	NA	03/08	USD	1.03	2.7	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	03/08	USD	1.15	0.9	NS	NS
Russia Equity AA	EE	EQ	LUX	03/08	USD	0.69	7.7	167.0	-16.8
Taiwan Equity AA	AS	EQ	LUX	03/08	USD	1.02	-6.7	80.4	-3.9
Turkey Equity AA	EE	EQ	LUX	03/08	USD	0.76	-1.1	177.4	1.6
U.S. Bond AA	US	BD	LUX	03/08	USD	1.13	2.4	20.8	8.7
U.S. Sm Cap Equity AA	US	EQ	LUX	03/08	USD	0.91	11.4	117.0	-2.3
U.S. Special Opportunities	OT	OT	LUX	03/08	USD	0.89	10.2	123.3	10.1
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	03/08	USD	1.14	0.2	9.7	0.2

■ PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	02/24	USD	129.40	1.6	135.8	-2.6

Sensible Asset Management
A Value Partners Group company

■ SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	03/05	USD	7.97	-0.6	111.4	-2.5

SOCIETE GENERALE Asset Management

■ SG ASSET MANAGEMENT (HK) LTD
Hotline in Hong Kong 2166 5099
A company of Amundi Group
www.sgam.com

Bonds Eur Hi Yld A	OT	OT	LUX	03/04	EUR	21.44	4.2	62.1	5.6
Bonds EURO A	OT	OT	LUX	03/05	EUR	41.60	1.4	5.8	4.6
Bonds EUROPE A	OT	OT	LUX	03/04	EUR	39.64	1.4	4.8	4.0
Bonds US OppsCoreplus A	OT	OT	LUX	03/04	USD	37.45	1.5	17.8	8.2
Bonds World A	OT	OT	LUX	03/04	USD	41.80	-0.5	14.8	2.5
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	03/05	USD	10.06	-3.5	87.9	-6.7
Eq. China A	AS	EQ	LUX	03/05	USD	22.32	-7.5	69.5	-8.2
Eq. Concentrated Euroland A	OT	OT	LUX	03/05	EUR	92.28	-2.7	37.7	-12.6
Eq. ConcentratedEuropeA	EU	EQ	LUX	03/05	EUR	27.08	-1.4	48.9	-11.8
Eq. Emerging Europe A	OT	OT	LUX	03/05	EUR	25.64	6.3	112.8	-17.5
Eq. Euroland A	EU	EQ	LUX	03/05	EUR	10.77	-2.5	41.6	-13.3
Eq. Euroland Small Cap A	OT	OT	LUX	03/04	EUR	143.70	1.8	55.1	-5.5
Eq. EurolandCyclclsA	EU	EQ	LUX	03/05	EUR	18.19	1.0	46.7	-8.5
Eq. EurolandFinancialA	OT	EQ	LUX	03/04	EUR	10.55	-6.8	83.9	-16.2
Eq. Glbl Emg Cty A	GL	EQ	LUX	03/05	USD	9.12	-7.2	75.3	-15.0
Eq. Global A	GL	EQ	LUX	03/04	USD	27.71	-0.5	61.9	-9.6
Eq. Global Energy A	OT	OT	LUX	03/05	USD	17.79	-3.6	42.5	-15.9
Eq. Global Resources A	OT	OT	LUX	03/05	USD	109.93	-1.5	68.2	-14.5
Eq. Gold Mines A	OT	EQ	LUX	03/04	USD	29.93	-1.2	51.8	-7.4
Eq. India A	OT	OT	LUX	03/05	USD	128.87	-1.4	111.5	-7.7
Eq. Japan CoreAlpha A	OT	OT	LUX	03/05	JPY	7477.62	3.1	40.9	-6.0
Eq. Latin America A	OT	OT	LUX	03/04	USD	111.70	-3.9	96.6	-11.6
Eq. US Lg Cap Gr A	US	EQ	LUX	03/05	USD	15.47	0.0	55.7	-7.9
Eq. US Rel Val A	US	EQ	LUX	03/04	USD	20.73	0.7	68.1	-10.9
Eq, US Sm Cap Val A	US	EQ	LUX	03/04	USD	16.52	3.6	71.1	-13.1
Money Market EURO A	EU	MM	LUX	03/04	EUR	27.41	0.1	0.6	2.3
Money Market USD A	US	MM	LUX	03/04	USD	15.83	0.0	0.3	1.3

المستثمر الوطني The National Investor

■ THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	02/25	USD	893.63	-7.0	2.7	-30.4
TNI MENA Special Sits Fund	OT	OT	BMU	02/28	USD	1109.04	2.8	16.0	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	02/25	AED	4.72	-11.5	12.3	-37.6

Value Partners
Investing through discipline

■ WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487

Intel-Chin MainInd Foc	AS	EQ	CYM	02/26	USD	28.68	-3.9	76.4	6.4
Intel-China Converg*	AS	EQ	CYM	02/26	USD	109.61	-3.9	76.5	4.4
VP Classic - A	AS	EQ	CYM	03/05	USD	183.57	-1.6	90.0	3.2
VP Classic - B	AS	EQ	CYM	03/05	USD	85.48	-1.7	89.0	2.6
VP High Dividend Stk	AS	EQ	CYM	03/01	USD	45.70	0.6	87.3	5.1

*formerly known as China ABH Shares Fund

yuki
Yuki Management & Research
Tel +81-3-5299-3277 www.yukijapan.co.jp

■ YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

■ YMR-N Series									
YMR-N Growth Fund	OT	OT	IRL	03/08	JPY	9284.00	-1.8	33.3	-16.4
YMR-N Small Cap Fund	OT	OT	IRL	03/08	JPY	6657.00	-5.1	22.8	-17.2
■ Yuki 77 Series									
Yuki 77 General	JP	EQ	IRL	03/08	JPY	5964.00	-3.0	24.3	-20.1
Yuki 77 Growth	JP	EQ	IRL	03/08	JPY	5462.00	-3.2	16.8	-24.1
■ Yuki Chugoku Series									
Yuki Chugoku Jpn Gen	JP	EQ	IRL	03/08	JPY	6779.00	-0.7	32.0	-15.6
Yuki Chugoku JpnLowP	JP	EQ	IRL	03/08	JPY	7886.00	4.6	22.7	-14.3
■ Yuki Hokuyo Japan Series									
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	03/08	JPY	4656.00	-0.4	27.0	-19.9
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	03/08	JPY	5329.00	1.5	26.5	-14.5
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	03/08	JPY	4812.00	-5.7	20.2	-17.7
■ Yuki Mizuho Series									
Yuki Mizuho Gen Jpn III	OT	OT	IRL	03/08	JPY	4307.00	-2.6	26.5	-24.2
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	03/08	JPY	4539.00	-2.7	26.1	-24.2
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	03/08	JPY	6788.00	-2.6	35.8	-18.7
Yuki Mizuho Jpn Gen	OT	OT	IRL	03/08	JPY	8508.00	-1.3	31.7	-15.9
Yuki Mizuho Jpn Gro	OT	OT	IRL	03/08	JPY	6217.00	-2.2	24.0	-18.5
Yuki Mizuho Jpn Inc	OT	OT	IRL	03/08	JPY	7704.00	0.9	16.3	-17.4
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	03/08	JPY	5175.00	-0.3	31.4	-17.0
Yuki Mizuho Jpn LowP	OT	OT	IRL	03/08	JPY	11707.00	1.3	30.3	-12.2
Yuki Mizuho Jpn PGth	OT	OT	IRL	03/08	JPY	7625.00	-4.2	23.1	-21.4
Yuki Mizuho Jpn SmCp	OT	OT	IRL	03/08	JPY	6635.00	-7.0	27.1	-18.8
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	03/08	JPY	5691.00	0.8	31.8	-14.0
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	03/08	JPY	2656.00	-2.6	29.0	-22.5
■ Yuki Shizuoka Japan Series									
Yuki Shizuoka General Japan	JP	EQ	IRL	03/08	JPY	5379.00	-0.8	31.5	-17.0

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE Previous session	Year-to-date	52-week
Sweden	0.62%	5.9%	72.1%
Switzerland	-0.07	4.8	73.3
U.K.	0.14	3.5	59.9
Netherlands	-0.34	3.1	79.5
Japan	2.05	2.1	35.4
Canada	0.27	1.6	54.9
Russia	0.33	1.2	79.1
South Africa	0.60	1.2	44.1
Australia	0.63	-0.3%	51.1
France	0.02	-1.0	58.1
Turkey	0.73	-1.8	122.1
Germany	0.03	-1.8	52.1
Hong Kong	2.03	-2.5	70.1
South Korea	1.76	-2.7	58.1
Singapore	1.59	-2.8	97.3
Italy	0.59	-3.1	80.4
Brazil	-0.25	-5.0	115.5
Spain	0.62	-5.3	51.5
China 88	0.71	-10.1	40.3

Dow Jones Regional Sector Titans

Travel Leisure	0.74%	6.2%	65.7%
Ind Gds Svcs	0.34	5.1	94.9
Pers H'hold Gds	0.55	5.1	58.8
Arab 50	0.06	4.3	35.0
Retail	0.34	3.6	64.4
Media	0.42	2.3	81.8
Asian 50	2.13	2.0	71.2
Basic Res	1.12	1.0	127.0
Global 50	0.24	-2.1%	58.0
Tiger 50*	2.10	-3.3	91.3

*Asia excluding Japan

Source: Dow Jones Indexes

Dow Jones Asia Titans: Monday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Nissan Motor	Japan	Automobiles	$33.1	733.00	4.71%	129.8%	-45.3%
Honda Motor	Japan	Automobiles	65.4	3,230	3.86	53.4	-25.1
Japan Tobacco	Japan	Tobacco	35.8	336,500	3.86	52.6	-38.4
Mitsui	Japan	Industrial Suppliers	30.3	1,509	3.85	80.3	-31.6
JFE Hldgs	Japan	Iron Steel	20.9	3,570	3.63	74.2	-52.7
National Australia Bk	Australia	Banks	$50.3	26.33	-0.64%	64.3	-34.8
Commonwlth Bk of Aus	Australia	Banks	75.9	54.82	-0.51	105.8	9.4
Tokyo Elec Power	Japan	Conventional Electricity	36.7	2,455	-0.49	-5.9	-40.8
Kansai Elec Power	Japan	Conventional Electricity	22.4	2,123	-0.47	-4.6	-42.0
Woolworths	Australia	Food Retailers Wholesalers	31.3	27.93	-0.43	8.6	-0.5

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
KB Fncl Group South Korea (Banks)	17.8	52,500	3.55%	101.1%	-37.7%
Toyota Motor Japan (Automobiles)	122.6	3,515	3.53	21.6	-55.4
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	37.7	114.10	3.45	104.5	28.6
POSCO South Korea (Iron Steel)	37.7	563,000	3.30	72.7	46.4
Shin-Etsu Chml Japan (Specialty Chemicals)	23.7	5,040	2.96	21.2	-28.3
Panasonic Japan (Consumer Electronics)	30.0	1,307	2.83	20.8	-45.8
Sony Japan (Consumer Electronics)	36.4	3,295	2.81	86.8	-47.2
PetroChina Hong Kong (Integrated Oil Gas)	25.0	9.18	2.80	80.0	3.0
Nintendo Japan (Toys)	38.2	27,000	2.66	2.3	-20.2
Seven I Hldgs Japan (Broadline Retailers)	19.9	1,993	2.63	1.0	-44.9
Hon Hai Precision Ind Taiwan (Electrical Components Equipment)	36.9	137.50	2.61	125.3	0.1
Mitsubishi Japan (Industrial Suppliers)	42.6	2,346	2.58	109.1	-15.8
RioZim Ltd Australia (General Mining)	42.6	76.94	2.57	105.2	30.3
China Life Ins Hong Kong (Life Insurance)	33.8	35.20	2.47	67.2	61.1
CNOOC Hong Kong (Exploration Production)	72.8	12.64	2.43	102.9	98.1
BHP Billiton Australia (General Mining)	133.1	43.51	2.38	49.4	56.5
Canon Japan (Electronic Office Equipment)	54.4	3,980	2.31	84.3	-37.3
Indl Comm Bk China Hong Kong (Banks)	63.5	5.93	2.24	87.7	33.9
Mizuho Financial Grp Japan (Banks)	28.8	185.00	2.21	8.8	-77.3
Shinhan Financial Grp South Korea (Banks)	18.7	44,550	2.18	114.2	-17.5

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Nippon Steel Japan (Iron Steel)	24.4	350.00	2.04%	41.7%	-60.5%
Cheung Kong Hong Kong (Real Estate Holding Development)	29.2	97.80	1.87	73.7	2.6
China Constr Bk Hong Kong (Banks)	179.9	6.21	1.80	57.2	39.6
Sumitomo Mitsui Finl Japan (Banks)	43.4	2,904	1.72	9.8	-74.1
Woodside Petroleum Australia (Exploration Production)	29.6	45.25	1.64	26.0	26.3
Tokio Marine Hldgs Japan (Property Casualty Insurance)	22.1	2,538	1.44	38.8	-39.7
Samsung Elec South Korea (Semiconductors)	102.3	786,000	1.42	52.6	30.6
Nippon T&T Japan (Fixed Line Telecommunications)	58.0	3,955	1.41	6.0	-35.3
China Mobile (HK) Hong Kong (Mobile Telecommunications)	189.5	73.95	1.37	17.4	5.8
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	49.8	61.20	1.32	27.5	-7.6
KDDI Japan (Mobile Telecommunications)	23.5	480,000	1.05	3.0	-47.8
NTT DoCoMo Japan (Mobile Telecommunications)	64.5	139,400	1.01	1.0	-34.3
Hutchison Whampoa Hong Kong (Diversified Industrials)	31.2	56.75	0.98	55.9	-22.7
Mitsubishi UFJ Finl Japan (Banks)	71.1	462.00	0.87	21.3	-67.0
QBE Ins Grp Australia (Reinsurance)	19.3	20.66	0.78	32.4	-32.8
Takeda Pharm Japan (Pharmaceuticals)	35.4	4,045	0.62	21.8	-48.6
East Japan Railway Japan (Travel Tourism)	27.3	6,230	0.48	17.3	-33.2
Westpac Bking Australia (Banks)	71.2	26.83	0.30	68.7	3.6
Westfield Grp Australia (Retail REITs)	25.8	12.26	0.16	37.8	-43.3
Aus NZ Bk Australia (Banks)	54.3	23.80	-0.13	89.9	-18.0

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	1.02%	1.94%	0.6%	0.0%	7.2%
Event Driven	0.91	1.80	1.5	0.8	14.7
Equity Long/Short	1.09	2.63	3.0	1.6	5.4

*Estimates as of 03/04/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

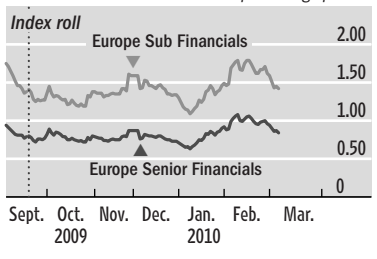
Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.78	100.99%	0.01%	1.00	0.65	0.83
Eur. High Volatility: 12/1	1.17	99.26	0.01	1.76	0.92	1.30
Europe Crossover: 12/1	4.25	102.95	0.05	6.15	3.79	4.91
Asia ex-Japan IG: 12/1	1.03	99.85	0.01	1.34	0.87	1.08
Japan: 12/1	1.28	98.70	0.01	1.68	0.99	1.36

Note: Data as of March 5

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Promise	675	**-22**	-67	-3
Sanyo Shinpan Fin	675	**-21**	-53	-2
IHI	286	**-18**	-29	-29
Korea Dep	66	**-16**	-24	-39
Mitsui Chems	157	**-13**	17	22
Softbank	294	**-11**	-24	-72
Orix	281	**-11**	-40	-22
Obayashi	188	**-10**	-34	-33
Nishimatsu Constr	560	**-10**	-19	-1
Mitsui	57	**-10**	-19	-18

And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Canon	35	**...**	-8	-3
Asahi Breweries	50	**...**	-5	...
Casio Computer	61	**...**	-10	3
Asahi Kasei	41	**1**	...	...
Sotetsu Hldgs	74	**2**	...	9
Asahi Glass	47	**2**	-3	-4
China Mobile	79	**2**	-5	-24
Furukawa Elec	113	**2**	-8	-4
Kintetsu	107	**3**	-2	9
Isetan	94	**10**	1	14

Source: Markit Group

Behind Asia's deals: Bank revenue rankings, Global (ex US)

Behind every IPO, bond offering, merger deal or syndicated loan is one or more investment banks. Here are investment banks ranked by year-to-date revenues from recent deals.

	Revenue, in millions	Market share	PERCENTAGE OF TOTAL REVENUE Equity capital markets	Debt capital markets	Mergers & acquisitions	Loans
Goldman Sachs	$267	5.4%	47%	17%	31%	5%
Credit Suisse	264	5.3	29	52	19	...
Deutsche Bank	257	5.2	30	45	20	6
UBS	250	5.1	28	29	43	...
Citi	216	4.4	39	33	25	4
Barclays Capital	204	4.1	31	53	8	8
Morgan Stanley	194	3.9	21	18	60	...
JPMorgan	183	3.7	23	45	31	1
Sumitomo Mitsui Banking Corp	164	3.3	85	7	1	7

Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	374.25	-1.25	-0.33%	714.00	325.00
Soybeans (cents/bu.)	CBOT	947.50	4.75	0.50%	1,087.50	819.75
Wheat (cents/bu.)	CBOT	493.75	0.25	0.05	745.00	472.00
Live cattle (cents/lb.)	CME	92.100	0.525	0.57	95.175	85.050
Cocoa ($/ton)	ICE-US	2,832	-33	-1.15	3,514	2,066
Coffee (cents/lb.)	ICE-US	130.35	-0.05	-0.04	190.40	118.30
Sugar (cents/lb.)	ICE-US	21.54	-0.65	-2.93	29.00	11.90
Cotton (cents/lb.)	ICE-US	81.95	-0.48	-0.58	94.00	51.38
Crude palm oil (ringgit/ton)	MDEX	2,709.00	39	1.46	3,600	1,486
Cocoa (pounds/ton)	LIFFE	2,167	-9	-0.41	2,356	1,475
Robusta coffee ($/ton)	LIFFE	1,223	-9	-0.73	1,605	1,217
Copper (cents/lb.)	COMEX	341.50	-0.25	-0.07	355.00	140.00
Gold ($/troy oz.)	COMEX	1125.80	-9.00	-0.79	1,229.00	785.10
Silver (cents/troy oz.)	COMEX	1732.50	-5.70	-0.33	1,949.50	916.00
Aluminum ($/ton)	LME	2,253.50	21.50	0.96	2,356.50	1,301.00
Tin ($/ton)	LME	17,600.00	100.00	0.57	18,250.00	9,945.00
Copper ($/ton)	LME	7,580.00	83.00	1.11	7,695.00	3,525.00
Lead ($/ton)	LME	2,270.00	71.00	3.23	2,615.00	1,225.00
Zinc ($/ton)	LME	2,379.50	99.50	4.36	2,659.00	1,214.00
Nickel ($/ton)	LME	22,645	120	0.53	22,950	9,475
Crude oil ($/bbl.)	NYMEX	81.96	0.46	0.56	116.70	51.00
Heating oil ($/gal.)	NYMEX	2.1098	0.0124	0.59	3.4750	1.3939
RBOB gasoline ($/gal.)	NYMEX	2.2912	0.0202	0.89	2.2972	1.4475
Natural gas ($/mmBtu)	NYMEX	4.508	-0.085	-1.85	10.800	4.458
Brent crude ($/bbl.)	ICE-EU	80.73	0.56	0.70	109.11	57.30
Gas oil ($/ton)	ICE-EU	657.50	2.25	0.34	691.50	512.75

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com**
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email**

Currencies

London close on March 8

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2685	0.1898	3.8588	0.2592
Brazil real	2.4423	0.4095	1.7888	0.5590
Canada dollar	1.4026	0.7130	1.0273	0.9735
1-mo. forward	1.4026	0.7130	1.0273	0.9735
3-mos. forward	1.4026	0.7129	1.0273	0.9734
6-mos. forward	1.4032	0.7126	1.0277	0.9730
Chile peso	694.42	0.001440	508.60	0.001966
Colombia peso	2585.36	0.0003868	1893.55	0.0005281
Ecuador US dollar-f	1.3653	0.7324	1	1
Mexico peso-a	17.2840	0.0579	12.6590	0.0790
Peru sol	3.8783	0.2578	2.8405	0.3521
Uruguay peso-e	26.897	0.0372	19.700	0.0508
U.S. dollar	1.3653	0.7324	1	1
Venezuela bolivar	5.86	0.170541	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.4985	0.6673	1.0975	0.9112
China yuan	9.3204	0.1073	6.8264	0.1465
Hong Kong dollar	10.5929	0.0944	7.7584	0.1289
India rupee	62.1576	0.0161	45.5250	0.0220
Indonesia rupiah	12527	0.0000798	9175	0.0001090
Japan yen	123.39	0.008104	90.38	0.011065
1-mo. forward	123.37	0.008105	90.36	0.011067
3-mos. forward	123.33	0.008108	90.33	0.011071
6-mos. forward	123.23	0.008115	90.26	0.011080
Malaysia ringgit-c	4.5531	0.2196	3.3348	0.2999
New Zealand dollar	1.9466	0.5137	1.4257	0.7014
Pakistan rupee	115.304	0.0087	84.450	0.0118
Philippines peso	62.547	0.0160	45.810	0.0218
Singapore dollar	1.9103	0.5235	1.3991	0.7147
South Korea won	1547.08	0.0006464	1133.10	0.0008825
Taiwan dollar	43.507	0.02298	31.865	0.03138
Thailand baht	44.654	0.02239	32.705	0.03058

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7324	1.3653
1-mo. forward	1.0000	1.0000	0.7324	1.3653
3-mos. forward	1.0001	0.9999	0.7325	1.3653
6-mos. forward	1.0003	0.9997	0.7326	1.3650
Czech Rep. koruna-b	25.640	0.0390	18.779	0.0533
Denmark krone	7.4418	0.1344	5.4505	0.1835
Hungary forint	265.85	0.003761	194.72	0.005136
Norway krone	8.0345	0.1245	5.8846	0.1699
Poland zloty	3.8671	0.2586	2.8323	0.3531
Russia ruble-d	40.596	0.02463	29.733	0.03363
Sweden krona	9.6934	0.1032	7.0996	0.1409
Switzerland franc	1.4630	0.6835	1.0715	0.9333
1-mo. forward	1.4626	0.6837	1.0712	0.9335
3-mos. forward	1.4619	0.6840	1.0707	0.9339
6-mos. forward	1.4608	0.6846	1.0699	0.9347
Turkey lira	2.0923	0.4780	1.5324	0.6526
U.K. pound	0.9059	1.1039	0.6635	1.5073
1-mo. forward	0.9061	1.1037	0.6636	1.5069
3-mos. forward	0.9064	1.1033	0.6638	1.5064
6-mos. forward	0.9068	1.1028	0.6642	1.5056
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5148	1.9426	0.3770	2.6523
Egypt pound-a	7.4848	0.1336	5.4820	0.1824
Israel shekel	5.1364	0.1947	3.7620	0.2658
Jordan dinar	0.9663	1.0348	0.7078	1.4129
Kuwait dinar	0.3938	2.5391	0.2885	3.4668
Lebanon pound	2051.44	0.0004875	1502.50	0.0006656
Saudi Arabia riyal	5.1203	0.1953	3.7502	0.2667
South Africa rand	10.0947	0.0991	7.3935	0.1353
United Arab dirham	5.0149	0.1994	3.6730	0.2723
SDR -f	0.8915	1.1217	0.6529	1.5316

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
28	**ASIA-PACIFIC**	DJ Asia-Pacific	125.44	2.29	1.86%	1.9%	70.1%
18	Australia	SPX/ASX 200	4807.86	40.62	0.85	-1.3	52.4
...	China	CBN 600	27338.34	219.36	0.81	-5.9	51.4
17	Hong Kong	Hang Seng	21196.87	408.90	1.97	-3.1	86.8
19	India	Sensex	17102.60	108.11	0.64	-2.1	109.6
16	Indonesia	Jakarta Composite	2626.451	47.679	1.85	3.6	104.1
...	Japan	Nikkei Stock Average	10585.92	216.96	2.09	0.4	49.4
...		Topix	927.31	16.50	1.81	2.2	30.5
...	Malaysia	Kuala Lumpur Composite	1324.22	24.44	1.88	4.0	54.3
14	New Zealand	NZSX-50	3222.815	8.172	0.25	-0.2	30.5
8	Pakistan	KSE 100	9740.19	113.90	1.18	3.8	72.0
14	Philippines	Manila Composite	3094.98	25.35	0.83	1.4	63.7
...	Singapore	Straits Times	2834.57	44.28	1.59	-2.2	94.6
11	South Korea	Kospi	1660.04	25.47	1.56	-1.4	54.9
20	Taiwan	Weighted	7762.27	96.01	1.25	-5.2	67.7
10	Thailand	SET	720.29	-3.67	-0.51%	-1.9	75.1
57	**EUROPE**	Stoxx Europe 600	256.89	-0.20	-0.08	1.5	62.4
23		Stoxx Europe 50	2575.08	-1.60	-0.06	-0.1	59.2
70	**Euro Zone**	Euro Stoxx	270.94	0.08	0.03%	-1.4%	59.8%
21		Euro Stoxx 50	2878.47	1.03	0.04	-3.0	58.9
20	Denmark	OMX Copenhagen	348.53	0.22	0.06	10.4	80.1
21	Finland	OMX Helsinki	7010.10	44.49	0.64	8.6	69.5
17	France	CAC-40	3903.54	-6.88	-0.18%	-0.8	54.9
17	Germany	DAX	5875.91	-1.45	-0.02	-1.4	59.2
14	Italy	FTSE MIB	22398.21	120.09	0.54	-3.7	77.5
...	Netherlands	AEX	338.17	-0.51	-0.15	0.8	69.7
...	Russia	RTSI	1508.21		Closed	5.7	161.7
11	Spain	IBEX 35	11078.3	58.5	0.53	-7.2	62.5
16	Switzerland	SMI	6851.20	3.42	0.05	4.7	59.0
...	Turkey	ISE National 100	53296.54	670.91	1.27	0.9	131.2
14	U.K.	FTSE 100	5606.72	6.96	0.12	3.6	58.3
18	**AMERICAS**	DJ Americas	304.03	0.12	0.04	2.5	76.0
18	Brazil	Bovespa	68553.83	-292.67	-0.43	-0.1	86.6
11	Argentina	Merval	2306.99	8.25	0.36	-0.6	137.9
19	Mexico	IPC	32438.15	1.62	unch.	1.0	92.3

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
2.19%	19	**Global TSM**	2343.29	13.68	0.59%	1.1%	77.3%	-6.1%
1.92	19	**Global DOW**	1971.11	11.22	0.57	-0.7	72.9	-3.0
2.43	15	**Global Titans 50**	170.03	0.41	0.24	-2.1	58.0	-8.7
2.18	25	**Asia/Pacific TSM**	1240.12	22.30	1.83	2.0	75.5	-4.5
2.42	15	**Asia/Pacific ex-Japan TSM**	3066.18	50.12	1.66	-0.3	108.7	2.4
2.78	14	**Europe TSM**	2592.95	13.43	0.52	-3.2	77.6	-10.0
1.86	14	**Emerging Markets TSM**	4090.28	37.45	0.92	0.9	112.3	3.5
2.45	33	**Asian Titans 50**	136.94	2.85	2.13	2.0	71.2	-6.4
6.37	6	**BRIC 50**	587.11	5.21	0.89	-1.8	109.9	8.5
0.86	27	**CBN China 600** -c	27338.34	219.37	0.81	-5.9	51.4	9.6
2.35	18	**China Offshore 50**	3952.91	78.54	2.03	-3.1	75.0	8.8
0.89	30	**Shanghai** -c	368.75	3.11	0.85	-4.9	52.6	9.9

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
0.56%	46	**Shenzhen** -c	405.96	3.80	0.94%	-2.5%	70.0%	16.0%
1.84	22	**U.S. TSM**	11728.98	2.16	0.02	3.0	72.5	-6.0
4.83	14	**Global Select Div** -d	196.16	0.78	0.40	-2.9	112.0	-9.4
5.34	14	**Asia/Pacific Select Div** -d	268.44	1.33	0.50	0.0	132.2	-9.2
3.70	14	**Hong Kong Select Div** -d	191.77	2.44	1.29	2.3	72.2	2.3
4.23	15	**U.S. Select Dividend** -d	323.83	-0.28	-0.09	2.6	73.4	-13.1
1.80	15	**Islamic Market**	1989.51	9.31	0.47	0.7	66.2	-1.3
2.00	15	**Islamic Market 100**	2105.88	7.35	0.35	-0.7	52.2	-2.0
2.60	17	**Islamic China/HK Titans 30**	1512.39	32.42	2.19	1.8	74.6	4.4
1.55	12	**Sustainability Korea**	1217.71	32.94	2.78	1.0	118.2	1.6
3.40	17	**Brookfield Infrastructure**	2029.61	4.36	0.22	0.1	64.5	-3.3
		DJ-UBS Commodity -p	134.68	0.73	0.55	-3.2	27.3	-6.7

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.098	0.663	1.027	6.826	0.732	7.758	45.525	9175.15	90.375	1.426	1133.09	3.335	45.810	1.399	1.071	31.865	32.705
Australia	0.911		0.605	0.936	6.220	0.667	7.069	41.480	8359.94	82.345	1.299	1032.42	3.038	41.740	1.275	0.976	29.034	29.799
Britain	1.507	1.654		1.548	10.289	1.104	11.694	68.618	13829.25	136.218	2.149	1707.85	5.026	69.047	2.109	1.615	48.029	49.295
Canada	0.973	1.068	0.646		6.645	0.713	7.553	44.317	8931.76	87.978	1.388	1103.04	3.246	44.595	1.362	1.043	31.020	31.837
China	0.1465	0.161	0.097	0.150		0.107	1.137	6.669	1344.08	13.239	0.209	165.99	0.489	6.711	0.205	0.157	4.668	4.791
Euro	1.365	1.498	0.906	1.403	9.320		10.593	62.158	12527.30	123.393	1.947	1547.07	4.553	62.547	1.910	1.463	43.507	44.654
Hong Kong	0.129	0.141	0.086	0.132	0.880	0.094		5.868	1182.61	11.649	0.184	146.05	0.430	5.905	0.180	0.138	4.107	4.215
India	0.0220	0.0241	0.0146	0.0226	0.1499	0.0161	0.1704		201.54	1.9852	0.0313	24.89	0.0733	1.0063	0.0307	0.0235	0.6999	0.7184
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0050		0.0098	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0035	0.0036
Japan	0.011	0.012	0.007	0.011	0.076	0.008	0.086	0.504	101.52		0.016	12.54	0.037	0.507	0.015	0.012	0.353	0.362
New Zealand	0.701	0.770	0.465	0.721	4.788	0.514	5.442	31.931	6435.45	63.389		794.75	2.339	32.131	0.981	0.752	22.350	22.939
South Korea	0.0009	0.0010	0.0006	0.0009	0.0060	0.0006	0.0068	0.0402	8.10	0.0798	0.0013		0.0029	0.0404	0.0012	0.0009	0.0281	0.0289
Malaysia	0.300	0.329	0.199	0.308	2.047	0.220	2.327	13.652	2751.38	27.101	0.428	339.78		13.737	0.420	0.321	9.555	9.807
Philippines	0.022	0.024	0.014	0.022	0.149	0.016	0.169	0.994	200.29	1.973	0.031	24.73	0.073		0.031	0.023	0.696	0.714
Singapore	0.715	0.784	0.474	0.734	4.879	0.523	5.545	32.539	6557.90	64.595	1.019	809.87	2.383	32.742		0.766	22.775	23.376
Switzerland	0.933	1.024	0.619	0.959	6.371	0.684	7.241	42.487	8562.91	84.344	1.331	1057.48	3.112	42.753	1.306		29.739	30.523
Taiwan	0.031	0.034	0.021	0.032	0.214	0.023	0.243	1.429	287.94	2.836	0.045	35.56	0.105	1.438	0.044	0.034		1.026
Thailand	0.031	0.034	0.020	0.031	0.209	0.022	0.237	1.392	280.54	2.763	0.044	34.65	0.102	1.401	0.043	0.033	0.974	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of March. 08, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	23	**ALL COUNTRY (AC) WORLD***	299.31	-1.29%	**-0.0%**	59.9%
2.50	24	**World (Developed Markets)**	1,170.46	-1.27	**0.2**	55.9
1.80	83	**World Small Cap**	198.16	-1.44	**4.2**	78.8
2.50	21	**Kokusai (World ex-Japan)**	1,158.18	-1.45	**-0.1**	59.1
3.00	23	**EAFE**	1,544.99	-1.11	**-2.3**	54.9
2.20	20	**Emerging Markets (EM)**	974.92	-1.39	**-1.5**	95.3
2.50	23	**AC ASIA PACIFIC EX-JAPAN**	407.40	-1.14	**-2.2**	90.2
2.20	22	**AC Far East ex-Japan**	435.07	-1.16	**-3.3**	80.9
1.70	145	**Japan**	569.34	1.47	**0.2**	21.9
2.00	19	**China**	61.89	1.16	**-4.5**	70.8
0.90	37	**China A (China Domestic)**	3,125.19	0.30	**-7.6**	53.2
2.60	23	**Hong Kong**	10,061.36	0.88	**-1.1**	60.4
0.90	20	**India**	696.52	0.25	**-1.5**	104.9
1.30	16	**Korea**	462.93	0.96	**-3.7**	58.8
2.30	20	**Malaysia**	475.56	1.14	**1.2**	43.5
3.10	17	**Singapore**	1,552.57	0.79	**-4.5**	73.3
2.70	234	**Taiwan**	275.30	1.34	**-7.0**	59.5
3.30	18	**Thailand**	298.29	-0.69	**-1.1**	69.5
3.60	25	**Australia**	987.75	0.37	**-1.3**	43.1
5.00	16	**New Zealand**	84.30	-0.09	**-3.3**	15.4
1.90	28	**US BROAD MARKET**	1,272.32	-1.44	**2.9**	58.4
3.40	16	**EUROPE**	89.26	1.61	**1.1**	47.7

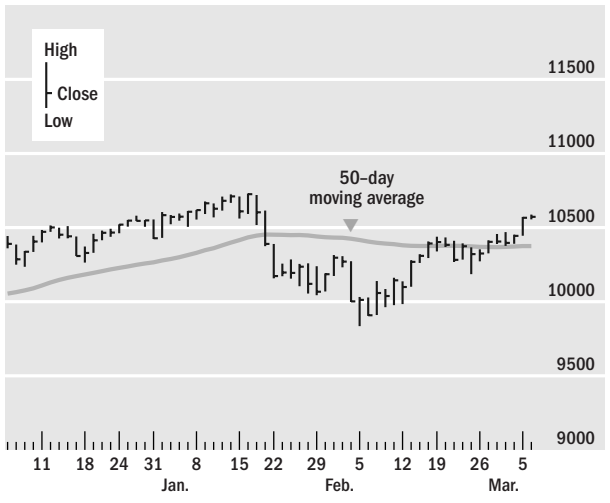
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

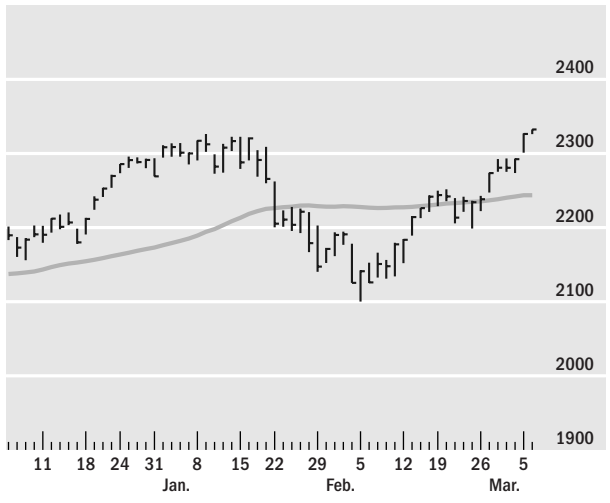
Dow Jones Industrial Average P/E: 16

LAST: **10572.55** ▲ 6.35, or 0.06%
YEAR TO DATE: ▲ **144.50, or 1.4%**
OVER 52 WEEKS ▲ **4,025.50, or 61.5%**



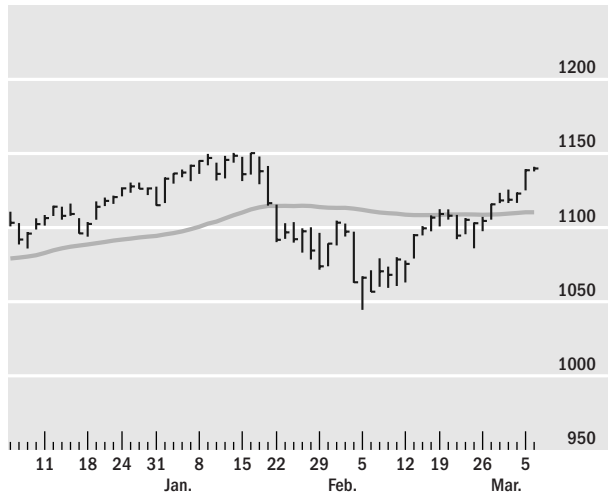
Nasdaq Composite Index P/E: 19*

LAST: **2332.43** ▲ 6.08, or 0.26%
YEAR TO DATE: ▲ **63.28, or 2.8%**
OVER 52 WEEKS ▲ **1,063.79, or 83.9%**



S&P 500 Index P/E: 22

LAST: **1139.88** ▲ 1.18, or 0.10%
YEAR TO DATE: ▲ **24.78, or 2.2%**
OVER 52 WEEKS ▲ **463.35, or 68.5%**



*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**10.20**	$25.22	0.23	**0.92%**
Alcoa	AA	**18.50**	13.80	-0.04	**-0.33**
AmExpress	AXP	**3.00**	39.79	-0.41	**-1.02**
BankAm	BAC	**70.80**	16.76	0.06	**0.36**
Boeing	BA	**1.80**	67.46	-0.47	**-0.69**
Caterpillar	CAT	**1.90**	58.75	-0.48	**-0.81**
Chevron	CVX	**2.90**	74.20	-0.10	**-0.13**
CiscoSys	CSCO	**32.30**	25.69	0.48	**1.90**
CocaCola	KO	**3.40**	54.36	-0.34	**-0.62**
Disney	DIS	**7.70**	33.08	-0.14	**-0.42**
DuPont	DD	**2.00**	35.04	0.07	**0.20**
ExxonMobil	XOM	**8.80**	66.26	-0.21	**-0.32**
GenElec	GE	**25.40**	16.31	-0.04	**-0.24**
HewlettPk	HPQ	**5.30**	51.66	-0.37	**-0.72**
HomeDpt	HD	**4.60**	31.95	0.15	**0.47**
Intel	INTC	**18.20**	20.71	-0.08	**-0.38**
IBM	IBM	**2.40**	126.51	-0.74	**-0.58**
JPMorgChas	JPM	**14.70**	42.72	-0.09	**-0.21**
JohnsJohns	JNJ	**4.00**	64.23	0.19	**0.30**
KftFoods	KFT	**3.40**	29.12	-0.22	**-0.75**
McDonalds	MCD	**5.80**	65.36	1.69	**2.65**
Merck	MRK	**4.90**	37.25	-0.24	**-0.64**
Microsoft	MSFT	**22.70**	28.67	0.09	**0.30**
Pfizer	PFE	**23.60**	17.31	-0.17	**-0.97**
ProctGamb	PG	**3.40**	63.32	-0.37	**-0.58**
3M	MMM	**1.50**	81.50	-0.94	**-1.14**
TravelersCos	TRV	**1.10**	53.78	0.17	**0.32**
UnitedTech	UTX	**1.60**	70.89	-0.36	**-0.51**
Verizon	VZ	**6.80**	29.56	0.33	**1.12**
WalMart	WMT	**3.10**	54.11	-0.03	**-0.06**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**272.3**	$3.57	$0.07	**2.00%**
BankAm	BAC	**71.7**	16.76	0.06	**0.36**
CellThrp	CTIC	**63.4**	1.12	0.22	**25.07**
SiriusXM	SIRI	**59.1**	0.92	–0.02	**–2.47**
SPDR S&P 500	SPY	**56.4**	114.14	–0.11	**–0.10**
FordMotor	F	**49.7**	12.86	–0.14	**–1.08**
SprintNextel	S	**41.6**	3.47	0.19	**5.79**
CiscoSys	CSCO	**32.6**	25.69	0.48	**1.90**
iShrMSCIEmrgMkt	EEM	**27.4**	41.00	0.05	**0.12**
YRC Worldwide	YRCW	**26.7**	0.47	0.00	**0.88**
iShrRu2000	IWM	**26.5**	66.66	0.04	**0.06**
GenElec	GE	**25.6**	16.31	–0.04	**–0.24**
PwrShrs QQQ	QQQQ	**25.2**	46.53	0.09	**0.19**
Pfizer	PFE	**23.7**	17.31	–0.17	**–0.97**
Microsoft	MSFT	**22.8**	28.68	0.09	**0.31**

Biggest gainers...

NewConceptEngy	GBR	**12.5**	$5.40	$1.60	**42.11%**
XyratexLtd	XRTX	**3,224.6**	17.56	2.23	**14.55**
NovaMsrInst	NVMI	**684.3**	5.86	0.73	**14.23**
Zagg	ZAGG	**332.6**	3.06	0.36	**13.33**
Flexsteel	FLXS	**40.7**	15.17	1.76	**13.12**

...Biggest losers

Cohen&Co	COHN	**244.8**	$6.50	-$1.45	**-18.24%**
WestwoodOne	WWON	**29.0**	9.92	-1.47	**-12.91**
UnivTravelGp	UTA	**506.4**	9.71	-1.14	**-10.51**
IntCoalGp	ICO	**3,907.0**	4.25	-0.48	**-10.15**
MethodEl	MEI	**481.7**	10.01	-0.85	**-7.79**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$7.33	**Taiwan Semi**	TSM	**8,188.9**	$10.22	0.09	**0.89%**
82.74	35.17	**BHP Billiton**	BHP	**2,256.7**	79.45	0.27	**0.34**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**1,710.6**	5.16	0.02	**0.39**
4.24	1.74	**Utd Microelectronics**	UMC	**1,601.4**	3.53	-0.06	**-1.67**
13.30	6.82	**AU Optrncs**	AUO	**1,393.0**	11.08	0.26	**2.40**
59.22	40.20	**China Mobile**	CHL	**933.1**	48.10	0.70	**1.48**
18.64	12.81	**SK Telecom**	SKM	**771.2**	17.23	0.38	**2.26**
15.95	9.08	**China Unicom**	CHU	**634.8**	12.36	-0.17	**-1.36**
8.19	4.76	**Siliconware Prec Ind**	SPIL	**566.5**	6.14	0.07	**1.15**
36.80	16.76	**Sony**	SNE	**541.1**	36.76	0.42	**1.16**
59.96	22.63	**Infosys Tech**	INFY	**481.3**	59.92	0.36	**0.60**
91.97	56.79	**Toyota Motor**	TM	**463.1**	77.74	0.80	**1.04**
21.22	16.71	**ChunghwaTel**	CHT	**417.2**	18.83	-0.06	**-0.31**
18.20	7.21	**Korea Elec Pwr**	KEP	**315.4**	16.58	0.14	**0.88**
21.78	11.69	**KT Corp**	KT	**304.4**	20.39	0.75	**3.82**
5.23	1.75	**Adv Semi Engrg**	ASX	**276.9**	4.28	0.05	**1.18**
9.50	4.00	**Nomura Hldgs**	NMR	**201.6**	7.38	0.13	**1.79**
81.00	39.93	**China Life Ins**	LFC	**193.1**	68.24	0.57	**0.84**
41.87	20.33	**Telekom Indonesia**	TLK	**173.4**	36.97	0.79	**2.18**
34.27	11.62	**Aluminum Cp of China**	ACH	**140.8**	26.35	0.21	**0.80**
25.65	5.30	**Yanzhou Coal Mining**	YZC	**128.6**	22.09	0.12	**0.55**
135.92	64.30	**PetroChina**	PTR	**123.8**	118.51	1.46	**1.25**
37.23	20.72	**Honda Motor**	HMC	**120.0**	35.72	0.57	**1.62**
150.50	49.25	**POSCO**	PKX	**114.9**	124.15	2.81	**2.32**
13.77	2.00	**City Telecom**	CTEL	**106.3**	13.76	0.73	**5.59**
5.38	1.55	**SemiMfgInt**	SMI	**88.3**	5.13	0.01	**0.20**
17.19	10.60	**Matsushita Elec**	PC	**85.1**	14.52	0.18	**1.26**
9.82	5.68	**Telecom Corp of NZ**	NZT	**81.6**	7.88	-0.05	**-0.63**
7.74	2.00	**Alumina**	AWC	**81.4**	6.18	0.08	**1.31**
61.06	38.32	**Phlp Lng Dst Tel**	PHI	**74.5**	58.25	0.39	**0.67**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

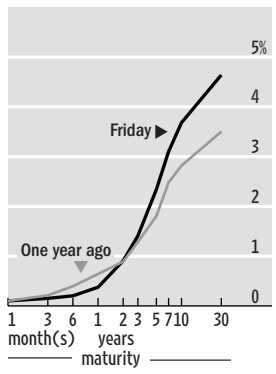
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.740%**	**383.3**	370.2	366.2	**186.2**	4.597%	4.435%	**2.819%**
4.500	10	**5.570**	**185.0**	185.9	188.5	**155.5**	5.535	5.459	**4.431**
5.000	**Austria** 2	**1.335**	**42.8**	40.5	82.0	**28.5**	1.300	1.593	**1.242**
3.900	10	**3.608**	**-11.2**	-10.8	10.7	**124.3**	3.568	3.681	**4.119**
2.000	**Belgium** 2	**1.127**	**22.0**	25.0	73.1	**23.4**	1.145	1.504	**1.191**
3.750	10	**3.686**	**-3.4**	-0.3	15.1	**115.0**	3.673	3.725	**4.026**
1.500	**Canada** 2	**1.536**	**62.9**	62.0	33.1	**0.4**	1.515	1.104	**0.961**
3.750	10	**3.494**	**-22.6**	-21.1	-21.5	**6.6**	3.465	3.359	**2.942**
4.000	**Denmark** 2	**1.674**	**76.7**	82.0	101.2	**104.8**	1.715	1.785	**2.005**
4.000	10	**3.465**	**-25.5**	-22.1	-10.0	**48.2**	3.455	3.474	**3.358**
3.750	**France** 2	**0.968**	**6.1**	6.4	34.8	**47.8**	0.959	1.121	**1.435**
3.500	10	**3.459**	**-26.1**	-22.7	-15.0	**70.6**	3.449	3.424	**3.582**
1.250	**Germany** 2	**0.890**	**-1.7**	-1.1	21.8	**18.9**	0.884	0.991	**1.146**
3.250	10	**3.168**	**-55.2**	-53.3	-45.5	**5.7**	3.143	3.119	**2.933**
0.640	**Hong Kong** 2	**0.788**	**-11.9**	-12.9	-19.2	**-13.6**	0.766	0.581	**0.821**
2.160	10	**2.914**	**-80.6**	-81.7	-65.0	**-90.8**	2.859	2.924	**1.968**
5.000	**Italy** 2	**1.367**	**46.0**	48.3	109.6	**108.9**	1.378	1.869	**2.046**
4.250	10	**3.957**	**23.7**	25.6	48.5	**160.5**	3.932	4.059	**4.481**
0.200	**Japan** 2	**0.150**	**-75.7**	-75.0	-61.3	**-55.7**	0.145	0.160	**0.400**
1.400	10	**1.322**	**-239.8**	-236.2	-221.0	**-158.6**	1.314	1.364	**1.290**
2.500	**Netherlands** 2	**0.924**	**1.7**	4.8	32.5	**63.5**	0.943	1.098	**1.592**
3.500	10	**3.432**	**-28.8**	-26.1	-12.0	**89.7**	3.415	3.454	**3.773**
5.000	**Portugal** 2	**1.789**	**88.2**	98.9	168.8	**137.1**	1.884	2.461	**2.328**
4.800	10	**4.292**	**57.2**	63.2	120.1	**181.0**	4.308	4.775	**4.686**
5.350	**Spain** 2	**1.216**	**30.9**	32.2	111.9	**96.6**	1.217	1.892	**1.923**
4.000	10	**3.862**	**14.2**	20.3	57.0	**116.8**	3.879	4.144	**4.044**
2.750	**Switzerland** 2	**0.420**	**-48.7**	-49.4	-20.8	**1284.3**	0.401	0.565	**13.800**
2.250	10	**1.894**	**-182.6**	-178.7	-161.5	**-73.9**	1.889	1.959	**2.137**
3.250	**U.K.** 2	**1.112**	**20.5**	23.8	36.9	**29.9**	1.133	1.142	**1.256**
3.750	10	**4.096**	**37.6**	38.5	30.8	**18.0**	4.061	3.882	**3.056**
0.875	**U.S.** 2	**0.907**	**...**	...	...	**...**	0.895	0.773	**0.957**
3.625	10	**3.720**	**...**	...	...	**...**	3.676	3.574	**2.876**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.640%**	16.07	–1.67%	0.67%	0.67%	–13.82%
10-year Treasury	**3.682**	8.27	–0.67	1.98	1.98	–3.54
7 Year Treasury	**3.100**	6.25	–0.35	2.62	2.62	1.19
Five-year Treasury	**2.342**	4.68	–0.23	2.15	2.15	1.54
Ryan Index	**2.680**	6.69	–0.56	1.60	1.60	–1.62
3 Year Treasury	**1.407**	2.88	–0.23	1.33	1.33	2.85
Two-year Treasury	**0.907**	1.96	–0.19	0.80	0.80	2.02
1 Year Treasury	**0.376**	0.94	–0.07	0.17	0.17	1.24
Six-month Treasury	**0.203**	0.50	–0.01	0.04	0.04	0.57
Ryan Cash Index-a	**0.208**	0.44	–0.02	0.06	0.06	0.56
Three-month bill	**0.152**	0.25	–0.01	0.01	0.01	0.30
One-month bill	**0.101**	0.07	0.00	0.00	0.00	0.12

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	2.50
Japan	**1.475**	1.475
Britain	**0.50**	0.50
ECB	**1.00**	2.00
Switzerland	**0.53**	0.52
Australia	**4.00**	3.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23000%**	0.56438%
Three month	**0.25425**	1.31250
Six month	**0.39531**	1.91625
One year	**0.86750**	2.23625

	Latest	52 wks ago
Euro Libor		
One month	**0.37813%**	1.36000%
Three month	**0.59813**	1.70875
Six month	**0.90813**	1.82938
One year	**1.19875**	1.95250
Hibor		
One month	**0.08000**	0.31286%
Three month	**0.13000**	0.91214
Six month	**0.24000**	1.24786
One year	**0.53857**	1.69571
Asian dollars		
One month	**0.2370%**	0.54%
Three month	**0.2570**	1.2910
Six month	**0.3950**	1.8460
One year	**0.8550**	2.1760

	Offer	Bid
Eurodollars		
One month	**0.2700%**	0.1700%
Three month	**0.3500**	0.2000
Six month	**0.5000**	0.3000
One year	**0.9000**	0.5500

	Latest	52 wks ago
U.S. discount	**0.75%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.22%**	0.28%
U.K. (BBA)	**0.517**	0.892
Euro zone	**0.61**	1.26

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Monday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**

Also, receive emails that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email.**

Asian index movers...

Nikkei Stock Average

Japan 10585.92

▲ **2.09% or 216.96**

A cheaper yen, increased foreign buying, Wall Street's rally and continuing hopes for monetary easing helped push the main index to a five-week high.

Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**125.92**	185	4	2.21
Mtshbsh Fin Grp	**65.48**	462	4	0.87
Fujitsu	**46.75**	568	-16	-2.74
Kawasaki Kisen K	**42.40**	348	5	1.46
Sumitomo Metal	**41.74**	271	9	3.44

Hang Seng

Hong Kong 21196.87

▲ **1.97% or 408.90**

The improved outlook for the U.S. economy and the lack of macroeconomic tightening measures in China from the National People's Congress meetings buoyed blue chips.

Stock	Volume in millions	Close	Change Net	Change %
CCB	**445.91**	6.21	0.11	1.80
Bank Of China	**413.80**	4.03	0.10	2.54
Icbc	**378.68**	5.93	0.13	2.24
PetroChina	**108.32**	9.18	0.25	2.80
ChinaPetroChem	**104.96**	6.25	0.09	1.46

Straits-Times

Singapore 2834.57

▲ **1.59% or 44.28**

Stocks with close links to global recovery prospects led the index to the highest close in seven weeks. Cosco rose 4.1%, and Neptune Orient Lines tacked on 4.2%.

Stock	Volume in millions	Close	Change Net	Change %
Genting Spore	**92.92**	0.92	0.02	1.66
Golden Agri	**81.52**	0.56	0.02	2.75
NeptuneOrientLines	**40.91**	1.97	0.08	4.23
Sing Telecom	**22.88**	3.12	0.05	1.63
Noble Grp	**21.93**	3.33	0.07	2.15

Kospi

South Korea 1660.04

▲ **1.56% or 25.47**

U.S. jobs data prompted buying by foreigners. Samsung Electronics rose 1.4%. Steelmakers climbed as concerns about additional tightening measures in China eased.

Stock	Volume in millions	Close	Change Net	Change %
Korea Tech Ind	**19.17**	55.00	-5.00	-8.33
Kec	**15.48**	1,005.00	130.00	14.86
Taechang	**13.87**	395.00	-10.00	-2.47
S&T Motors	**13.60**	1,050.00	135.00	14.75
Hanshin Mach	**13.23**	2,755.00	5.00	0.18

Asian stocks in the news

Nissan Motor

Japan ¥733

▲ **4.7% or ¥33**

Better-than-expected U.S. jobs data and the yen's recent weakness boosted sentiment for shares.

Price-to-earnings ratio	**55**
Earnings per share, past four quarters	**13.30**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Automobiles & Parts	**3.3%**	4.2%	70.7%
Nissan Motor	**4.7%**	4.0%	129.8%

中国实时报
CHINAREALTIMEREPORT
Your comprehensive resource for news and analysis on China, covering the hottest topics of the day in business, finance, law, policy, economics and culture.
In English at asia.WSJ.com/chinarealtime
In Chinese at cn.WSJ.com/chinarealtime
Join the conversation today.

Fuji Elec Hldgs

Japan ¥240

▲ **5.7% or ¥13**

The company promoted Michihiro Kitazawa to president, passing the reins to a younger leader.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-12.10**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**2.3%**	3.8%	88.6%
Fuji Elec Hldgs	**5.7%**	15.9%	189.2%

Chubu Elec Power

Japan ¥2,368

▼ **0.7% or ¥17**

Shares slipped on profit taking.

Price-to-earnings ratio	**17**
Earnings per share, past four quarters	**137.60**
Dividend yield	**2.5**

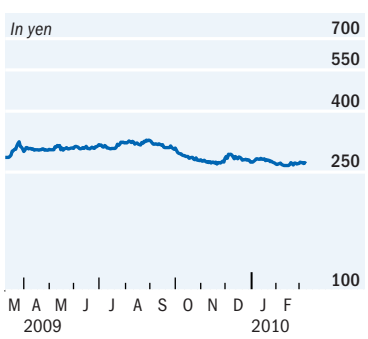
	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Utilities	**0.6%**	0.9%	24.0%
Chubu Elec Power	**-0.7%**	0.5%	4.1%

Nagoya Railroad

Japan ¥267

▼ **0.7% or ¥2**

The company cut its full-year net-profit forecast late last week.



Price-to-earnings ratio	**59**
Earnings per share, past four quarters	**4.50**
Dividend yield	**0.6**

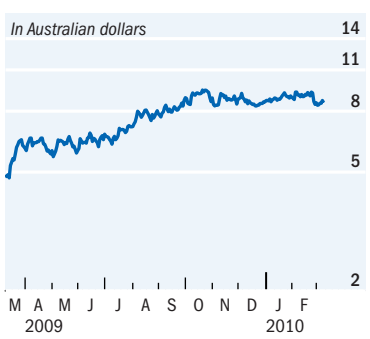
	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Travel & Leisure	**1.0%**	1.7%	39.3%
Nagoya Railroad	**-0.7%**	-1.1%	-4.6%

Suncorp-Metway

Australia A$8.54

▼ **1.7% or A$0.15**

Severe weather in Victoria and Queensland states led to a rise in insurance claims.



Price-to-earnings ratio	**25**
Earnings per share, past four quarters	**0.34**
Dividend yield	**1.8**

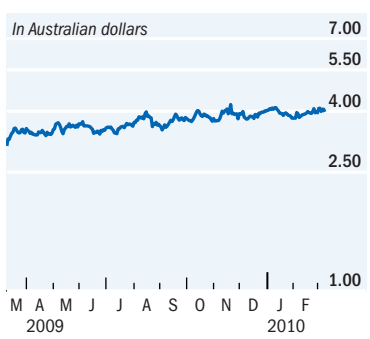
	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**1.3%**	2.6%	85.8%
Suncorp-Metway	**-1.7%**	2.0%	74.3%

Insurance Australia Grp

Australia A$3.98

▼ **2.0% or A$0.08**

Shares were weighed by the impact of insurance claims stemming from severe weather in two states.



Price-to-earnings ratio	**16**
Earnings per share, past four quarters	**0.25**
Dividend yield	**2.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Insurance	**1.9%**	0.9%	65.8%
Insurance Australia Grp	**-2.0%**	-2.7%	30.1%

Fujitsu

Japan ¥568

▼ **2.7% or ¥16**

The Tokyo Stock Exchange announced it is looking into the explanation of the resignation of the firm

Price-to-earnings ratio	**12**
Earnings per share, past four quarters	**45.90**
Dividend yield	**1.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Technology	**2.0%**	4.1%	92.9%
Fujitsu	**-2.7%**	-1.9%	68.5%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Moving while staying still on yuan

If People's Bank of China Governor Zhou Xiaochuan is ever looking for a new career, he might find steady work as a diplomat.

His words on China's exchange-rate policy over the weekend achieved a tricky dual goal. Admitting that the exchange-rate policy was part of China's response to the global economic crisis, Mr. Zhou raised the hopes of those looking for an end to the yuan's de-facto peg against the dollar. But he gave no indication on how or when China might start to raise the yuan's value.

Mr. Zhou's words aren't entirely novel. In October, the central bank chief said keeping the yuan pegged to the dollar was "an unusual method adopted during an unusual time."

Still, coming during the weekend's annual meeting of China's National People's Congress, they did make a splash. By Monday, currency-derivative traders were betting the yuan will be 3% stronger against the dollar in a year's time.

Such predictions remain for the brave. Even a close parsing of Mr. Zhou's words offers little definite about when a yuan movement might come. Just as unclear is how China will move off the dollar peg that has been in place since July 2008. A one-off, large revaluation may please economic purists, but would be a bold move out of character for China's leaders.

Resumption of the yuan's steady appreciation against the dollar, the trend in place from 2005 to 2008 also would be problematic. It would spur heavy inflows to China chasing a one-way bet, complicating Beijing's efforts to control both asset- and consumer-price inflation.

Ting Lu, Bank of America-Merrill Lynch's China economist, reckons China's best bet is to genuinely benchmark the yuan against a secret basket of currencies, similar to the system Singapore operates. That, he says, could keep the yuan from always moving the same way against the dollar.

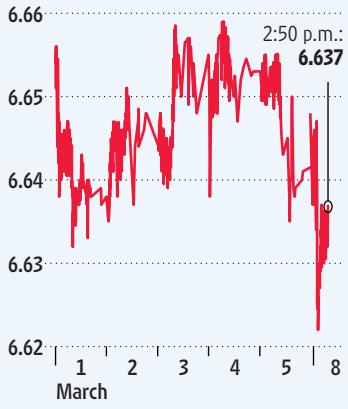
That China's policy makers might be considering such a change isn't out of the question. As Mr. Zhou said, "the exchange-rate mechanism and the price of the renminbi are in a dynamic process of continuous change," again leaving much room for interpretation.

Having thought it over, traders pared their early expectations of yuan appreciation by Monday afternoon. They will have to continue to live in hope.

—Andrew Peaple

Unsure thing

Nondeliverable one-year forward exchange rates, yuan vs. U.S. dollar, at five-minute intervals



Source: Thomson Reuters

Reuters

Problems, promise of a European IMF

A European monetary fund modeled on the International Monetary Fund? That sounds like an intriguing idea and shows that euro-zone politicians are acknowledging that the currency bloc lacks the tools, ground rules and credibility necessary to prevent future crises like that in Greece. But actually creating such an institution won't be easy.

As always in the European Union, the political questions will be hardest to resolve. Who should run the new institution? Will governments be willing to accept a new supranational institution that will effectively pass judgment on national fiscal policy? Will sanctions be credible and will they be enforced? Given the parlous state of many sovereign balance sheets, when should contributions to such a fund start to be made in order to avoid damaging any nascent economic recovery?

Ideally, any European entity should be a different animal than the International Monetary Fund. While the IMF is a largely reactive institution, stepping in to provide emergency financing and then enforcing programs designed to repair a state's balance sheet, a European organization should seek to prevent problems, providing the discipline that the euro zone's discredited Stability and Growth Pact clearly lacked. This way, a fund could reinforce the euro zone's "no bailouts" approach and minimize moral hazard.

One idea is that an organization be funded only by countries in breach of European budget rules; on this basis, it could have accumulated €120 billion ($163 billion) in reserves since the start of monetary union, according to Daniel Gros and Thomas Mayer, who proposed this solution in a February paper for the Center for European Policy Studies. These contributions would themselves act as an incentive for fiscal discipline. Cash could then be disbursed to help countries that have adopted fiscal plans approved by the euro zone.

Ultimately the fund could provide a mechanism to handle a sovereign default, perhaps through a debt exchange similar to the Brady bond restructurings of the 1990s, in an attempt to avoid disorderly outcomes.

Advocates acknowledge that a fund is likely to be a long time coming, and won't arrive in time to help with the current crisis. But given the flaws exposed in the current system, the euro zone had better make sure it is in place to prevent the next one.

—Richard Barley

Xstrata's ties to Glencore tangle up its strategy

The unusual relationship between **Xstrata** and **Glencore International** is becoming at best a drag on Xstrata's share price and at worst a serious constraint on its strategy.

That much is clear from the Prodeco affair, which saw privately owned Glencore pawn a precious asset to Xstrata to raise $2 billion to take part in its 35%-held mining affiliate's emergency $6 billion rights issue last year. It is up to Glencore to resolve the situation.

True, paying the pawnbroker back at the first opportunity is the smart thing to do, not least when the asset is going up in value. Upward revisions to Prodeco's coal reserves and production capacity and rising coal prices suggest the business is worth more than the roughly $2.4 billion sale price, if not the $4 billion to $5 billion claimed by Glencore.

But Glencore's protestations that last week's transaction was just a question of value ring false. The Swiss commodities-trading firm needs Prodeco to enhance its chances of a successful initial public offering before the end of 2012. The IPO is one way it could satisfy the demands of investors who subscribed to a $2.2 billion convertible-bond issue late last year. The other would be a merger with Xstrata.

Yet Prodeco has put a strain on Glencore's finances. Glencore has had to promise $1 billion in asset sales, possibly including a stake in Prodeco, to safeguard its investment-grade credit rating.

Prodeco is a top-class steam-coal asset but won't generate cash for a few years because of investment needed in its mines and dedicated coal terminal.

Glencore's financial constraints could restrict Xstrata's ability to do deals, in contrast to the unequivocal backing Xstrata received in less capital-constrained times.

Glencore, which also markets much of Xstrata's output, helped finance the multibillion-dollar acquisition spree that turned Xstrata from a rag-bag of mining assets into a global base-metals and coal producer with the same market capitalization as **Anglo American**.

A Glencore-Xstrata merger might be the neatest solution. But given their disagreements over value regarding Prodeco and Vale's top-of-the-cycle bid for Xstrata in 2008, a Glencore IPO might be a necessary, if not sufficient, precondition for that to happen.

—Matthew Curtin

Prudential's Hong Kong surprise

Prudential PLC is clearly feeling the heat over its proposed $35.5 billion acquisition of **American International Assurance**, the Asian assets of troubled U.S. insurer **American International Group**.

The U.K. insurer is accelerating its plans for a Hong Kong listing so that it takes place ahead of a $20 billion rights issue in May.

But with Prudential's European and U.S. investors grumbling over the terms of the AIA deal, the move is a sensible way to shore up demand for the rights issue.

Although Prudential hadn't given a fixed time frame for the Hong Kong listing, the market assumed it would wait until after the rights issue.

Not only might this have been cheaper—a fast-track process will involve considerable legislative and compliance costs—but it would arguably have provided greater price stability for Asian investors, given uncertainty over the pricing of the new shares.

Given that Prudential shares are down 14% since the AIA announcement, the insurer will be hoping Hong Kong investors retain their exuberant appetite for risk.

But Prudential's existing investors, mainly based in Europe and the U.S., are unhappy about the amount of money they are being asked to stump up. Some are also angry that they weren't asked to underwrite the issue.

As a result, Prudential may struggle to get the required 75% approval for the deal, according to Bank of America-Merrill Lynch, which has conducted a survey of Prudential's investors.

As such, a swift Hong Kong listing makes sense. Prudential was already expecting an eastern shift in its share base between now and May. Current Asian-based institutional investors such as the **Government of Singapore Investment Corp.** and **DBS Group** are helping to sub-underwrite the deal. And the pre-marketing for AIA's planned Hong Kong initial public offering, now scrapped, should ensure pent-up retail demand for a Prudential placing.

An early listing should also support Prudential's share price between now and the rights issue. Investor demand for recent dual Hong Kong listings has been high; Singapore-listed **China XLX Fertiliser**'s shares doubled on the day of their Hong Kong debut in December. Given that Prudential shares are down 14% since the AIA announcement, the insurer will be hoping Hong Kong investors retain their exuberant appetite for risk.

—Hester Plumridge

Published by Dow Jones Publishing Company (Asia). Printed in Hong Kong by Superflag Advertising and Communication Limited. 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1, Sdn. Bhd (ROC No. 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Miel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3817 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. by KHL Printing Co. Pte Ltd, 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (KM. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd, 517B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida -201301 and PLOT NoEL208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-11-6462 0215. ACP no. F2 (T/3) Press / 2009 FACSIMILE EDITION.